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**EIGHT CONSTITUTIONAL GOVERNMENT**

# **PROGRAM**

  

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**Approved in Council of Ministers  
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## **INTRODUCTION**

### **1. CHANGE FOR PROGRESS AND WELL-BEING**

The VIII Constitutional Government Program is a five-year policy instrument that reflects the aspirations of the Timorese people and the priority sustainable development measures, as defined in the Strategic Development Plan 2011-2030. During his tenure, the new Executive will continue to contribute to transform Timor-Leste, a low-income country into a medium-high income country where the population lives in safety and is healthy, educated and prosperous.

The Government Program also incorporates the roadmap defined by Timor-Leste to comply with the '2030 Sustainable Development Agenda of the United Nations', a road map that was also developed based on the Strategic Development Plan, articulating its goals and priorities with the Sustainable Development Goals (ODS) to achieve concrete progress in sustainable development. This Global Agenda is made up of 17 ODS aimed at meeting the needs of the people, emphasizing that no one should be left behind, ensuring a better future not only for Timorese but also for the world at large.

Timor-Leste undertook the political commitment to implement this Agenda and was particularly involved in the inclusion of "Objective 16 - Peace, Justice and Effective, Responsible and Inclusive Institutions at all levels", recognizing that without peace, justice and sound institutions it is very difficult to implement any of the other objectives essential to sustainable development.

Thus, the Alliance for Change for Progress (AMP), made up of three political parties, calls upon itself the duty and responsibility of continuing to:

- i) implement successful public policies and reforms, to maintain stability and foster economic and social development;
- ii) promote structural reforms to accelerate the necessary transformation in sectors that are not meeting the expectations of the population; and,
- iii) reform, correct and improve processes, systems and methodologies that hinder sustainable development in a cross-cutting way so that all institutions are more effective, accountable and inclusive.

For a young sixteen-year-old State, maintaining peace and promoting justice in Timor-Leste are key issues. Reviewing, training and improving the institutions guaranteeing these conditions will continue to be a national priority, since without peace and without justice it is not possible to overcome the barriers that lead to a situation of fragility as a State.

Peace, justice and solid institutions are pillars that allow us to transmit confidence and security to the population, attract investment and develop the economic and social sector in a sustainable way.

Economic diversification and job creation are priorities defined by this Executive to meet the challenges of modernity and to support a young, fast-growing population. We have the benefit of possessing energy riches, but we must put all our efforts in escaping the "resources curse" by building bridges that make a solid link between natural resources and progress.

Faced with this challenge, we will continue to invest in three key areas: social capital, infrastructure development and economic development, underpinned by an effective institutional framework that will help eliminate corruption and excessive bureaucracy and promote competence, professionalism, honesty and transparency.

Investments in social capital aim to build a healthy and educated society capable of satisfying the social needs of the people and producing a workforce that accompanies the development of the country. Infrastructure investments are intended to contribute to an emerging, interconnected and sustainable economy. We have a complete infrastructure plan for the construction of ports, airports, roads, drinking water and sanitation throughout the country, to be implemented with a new dynamism, over the next five years.

Investments in economic development will enable Timor-Leste to create a modern, diversified and prosperous economy by building strategic and transforming industrial sectors. Agriculture, fisheries, livestock and forest resources are a crucial source of income and food for development, which, together with entrepreneurship, create diverse opportunities for the development of industries. Tourism requires priority investment as a means of capitalizing on the country's beauty, diversity and geo-strategic location. On the other hand, the investment in the transformation of the south coast into a regional oil center - the Tasi Mane project - is a bold bet with multiplier economic effects in all the municipalities, sucos and villages of the country.

An important part of this process of construction of the State and of the Nation continues to be guaranteeing full sovereignty over the national territory, including the maritime territory that, according to international law, is under its jurisdiction. It is in this sense that the Eight Government will continue to give top priority to the negotiations to finalize the delimitation of land and sea borders with Indonesia, as well as to implement the Timor-Leste Treaty on Maritime Borders and Australia in the Timor Sea, whose Tasi Mane project implementation is intrinsically related.

While the Treaty between Timor-Leste and Australia provides, in addition to the delimitation of maritime borders, the legal status of the Greater Sunrise gas field and the establishment of a special regime for the development of such resources and the sharing of resulting revenues, we will continue to invest in the construction of a gas pipeline in sovereign territory, thus implementing the vision of our people, as embodied in our Strategic Development Plan 2011-2030.

We begin with the conviction that Timor-Leste's success, as a State and as a Nation, depends on the democratic and political conjuncture of these next years, where the Timorese state is structured and consolidated as a modern State, where everyone recognizes the rule of law and where there is accountability and responsibility on the part of all the living forces of society.

It is only through the consolidation of national unity, peace and democracy that it is possible to act in a concerted way to reduce extreme poverty in the country, reduce inequalities and regional asymmetries, and strengthen national sovereignty. To this end, the Government will call on other public institutions and national social actors to participate in this process, to reconcile a vision of shared development that meets the constitutional requirements.

As such, the Eighth Constitutional Government also undertakes to elaborate the Strategic Development Plan II, in permanent consultation with Civil Society, to update the previous plan and reflect the current state of the Nation and the changes that have occurred, meanwhile, in the country and in the world, as well as to demonstrate the Nation's competitive advantages in the development of the strategic sectors referred to, which will lead to its effective progress.

The Government Program for the 2018-2023 Legislature, which is now presented to the Distinguished Members of the National Parliament, summarizes the main public policies to be adopted to strengthen and optimize the sectors of governance and their resources, shortening the path to transform the 2030 vision into reality.

Finally, this document represents a set of commitments to Timorese society, which can be publicly scrutinized, for national development and for the progress and well-being of all East Timorese, with the participation of all East Timorese.



## 1.1 General Vision

The program of the Eight Government comes from policies successfully implemented in the past, as the central objectives and priorities of the Government are based on a perspective of continued efforts and progress made in economic, social and political development.

For this reason, the Government has seriously analyzed the internal situation of the country - the state of the Nation - to assess the best strategies to implement over the next five years. As such, it is important to remember the recent past and synthesize the internal situation of the country:

1. As a newly created country, it was necessary to lead a difficult process of "state-building", starting from a scenario where there was neither governing nor democratic experience, no state institutions, no basic infrastructure, qualified human resources or financial resources.
2. As a result, the state-building process was initially based on the financial and institutional dependence of development partners and donor countries, which posed an additional challenge to the development of national institutions, as this development was associated with standards and rules imported from abroad, which did not always correspond to the real needs of the country, shaping and limiting behaviors and instigating conflicts in the process of building and consolidating public institutions.
3. Several crises occurred, and it took two and a half years for the Fourth Government to resolve them and in 2009, 10 years after the referendum that led to national independence, the Timorese People adopted the motto: "Goodbye Conflict, Welcome Development".
4. And as this motto demanded development, in 2010 and part of 2011, public debates took place throughout the country promoted by the Government on the development potential in the country, from which resulted the Strategic Development Plan 2011-2030.
5. With the launching of the Strategic Development Plan in 2011, a long-term framework was adopted as a reference to fulfill a vision for Timor-Leste to become a medium-income country with a healthy, skilled and safe population by 2030. The Plan envisages a short, medium and long-term approach based on the shared vision of a country that aims to grow well and with a solid foundation.
6. However, this plan approved by the National Parliament in September 2011 would only begin to be implemented in 2013. In fact, in 2012, in the first half of the year, two rounds of presidential elections were held, and in the second half of the year, it was the turn of legislative elections and the formation of the Fifth Government, with the consequent approval of its program, the preparation of the Action Plan for 2013 and subsequent General State Budget for 2013.

7. The 2030 Agenda of the United Nations, adopted in 2015, recognizes that without peace, justice and solid and effective institutions, it is very difficult for a country to implement the other Sustainable Development Goals.

8. This commitment was reinforced by Timor-Leste, during the tenure of the Sixth Government, which in May 2017 organized a Global Conference on the Roadmap for the Implementation of the 2030 Agenda and the Sustainable Development Objectives. Timor-Leste has set a clear path to progress in the Sustainable Development Goals and, considering the national context, aligned those goals with the Strategic Development Plan 2011-2030.

9. In compliance with the principle of transparency, Timor-Leste adopted a measure whereby Development Partners not only have to respect the established system in the country, but also annually report on the use of the money, made available their governments, which was invested. Therefore, the External Aid Effectiveness Management Policy was approved, which defines how international development support should be provided to Timor-Leste, ensuring ownership, alignment with Government programs and promotion of accountability always aiming at obtaining results that improve the life of the people.

10. Be it through its achievements towards peace, stability and economic growth in such a short space of time, through its action in the g7+ group or through participation in a variety of international fora - sharing its experience, from conflict to resilience, and promoting world peace agenda and reconciliation - Timor-Leste is considered a success story worldwide and can now capitalize on its presence on the international stage.

11. Accepting the realistic view that "Rome wasn't built in a day," one cannot fail to recognize that, although it was not possible to achieve everything, immediately, to dramatically improve all aspects of the life of the People, enough was done to be able to affirm that the economic life of the country continues to give positive signals.

12. Our democracy has been consolidated year after year. Timor-Leste was considered the most democratic country in Southeast Asia, according to The Economist's independent evaluation of the Democracy Index. This study, published in 2017, considers electoral processes, pluralism, freedoms and guarantees, political participation, political culture and the functioning of the Timor-Leste institutions.

## 1.1 Current Scenario

1. It is estimated that the total population of Timor-Leste currently reaches 1,268,671 people, with an annual growth of about 2.37%, about 51.24% of the inhabitants are less than 20 years old. In Timor-Leste, about 49.2% of the population are women and 78% live outside the capital, Dili.
2. The Timorese economy grew at an average yearly rate of 11%, between 2008 and 2011. In 2016, non-oil GDP amounted to US \$ 1,702 million, representing a growth of 5.3%, and a Per Capita GDP of US \$ 1,338.00, a figure that in 14 years tripled from the US \$ 480.60 registered in 2002. However, 46% of the growth between 2010 and 2015 is due to Public Administration action, with another 24% coming from the construction sector promoted by public investment.
3. The result of this growth has been the reduction of poverty in Timor-Leste. After the large increase between 2001 and 2007, from 36.3% to 50%, the poverty level has been steadily declining, from 50% in 2007 to 42% in 2014. A level which has been reduced even further if the international poverty indicator (US \$ 1.9 per day) is used, based on which the incidence of extreme poverty fell from 47% in 2007 to 30% in 2014 (a decrease accompanied by other improvements in living standards, such as increased access to electricity, housing quality and asset ownership).
4. Private consumption levels are also reflecting this economic growth and poverty reduction. According to the World Bank, between 2004 and 2014, Timorese households accounted for an increase in private consumption of 160 per cent. In 2016, private consumption grew 4.2%, with vehicle registrations increasing by 8% and the number of foreign visitors increasing by 6.6%. However, although there was a notable reduction in poverty between 2007 and 2014, consumption inequality remained broadly unchanged over the same period, as can be seen from the Gini index of 0.28 in 2007 and 0.29 in 2014. This corresponds to the need to continue efforts to reduce poverty and inequality and to strengthen overall economic growth.
5. The construction sector, as an indicator of the economic dynamics, in 2016, had a total projected construction area of 92,814 m<sup>2</sup>, corresponding to a total of 46 licenses granted, with a projected value of 37,716 million dollars. This compares with 2008, when the projected construction area totaled 40,453 m<sup>2</sup>, with 22 licenses, and a projected value of only 11,319 million dollars.
6. In relation to purchase of own transport, in 2016 there are records of 19,498 vehicles bought, 83.6% of which are motorcycles, 9% passenger cars, 5.8% to light commercial vehicles and 1.5% heavy vehicles. Values contrast with those from 10 years ago, when the total of purchases was 5,669 vehicles, with 71.5% of these motorcycles.

7. As an important indicator of the social and technological development of the population, consumption at the telecommunications and Internet sectors also reveals substantial changes in the current situation. In 2015 there were a total of 3,965 fixed-line subscribers in contrast to the 827,685 mobile subscribers. In terms of Internet service subscription, a total of 190,444 subscribers were registered in 2015. In contrast, in 2012 there were 11,700 subscribers of fixed telephone service, while the mobile network still had 687,682 subscribers. The Internet, in 2012, had 64,733 subscribers (data provided by Timor Telecom).

8. Timor-Leste remains among the 47 Least Developed Countries (LDCs) identified in the United Nations Conference on Trade and Development Report (UNCTAD) for 2017. With an economy overly dependent on public expenditure policies and programs, the lack of a consistent diversification of the economy that can foster private sector-led economic growth has been hampering sustainable development and less dependence on oil dividends.

9. Data from the National Employment Strategy 2017-2030 shows 60% of the Timorese population were in active age in 2013, of which only 31% were in the labor force (excluding subsistence agriculture). Of those who were part of the labor force, less than 25% had formal employment, that is, in compliance with the Labor Law, with the remainder having informal employment or being self-employed.

10. It is estimated that the economically active population will increase by almost 18% between 2013 and 2018, from 630,000 to 742,000, and the economically active population is expected to reach 914,000 by 2030. In addition, by 2023 approximately 37% of the economically active population will be composed of young men and women under the age of 25, while 60% will be under the age of 35.

11. Credit to the private sector, which stagnated in 2015 and 2016, even declining 1.8% in 2016, has been recovering, with an increase of 25% in 2017. This growth is not unrelated to the sharp drop in bad credit levels, which fell from 23% in 2015 to 15% in the first quarter of 2017.

12. The Consumer Price Index (CPI), which has been declining consecutively since 2011, even reaching a depreciation of 1.3% in 2016, shows an inflation by 0.6 per cent in 2017, with the World Bank predicting that the trend will continue in 2018, at 1.5 per cent, and by 2019 increase to 2.5 per cent.

13. Timor-Leste has been investing its natural resource revenues in a sovereign wealth fund, the Petroleum Fund, consistent with the principles of transparency and good governance, and is required to withdraw only limited amounts to finance national strategic priorities of the General State Budget, as is the case with basic infrastructures, education and health.

14. This Fund, established in 2005 with an opening balance of \$ 205 million, is a tool that contributes to a sound fiscal policy, which considers and duly weighs the long-term interests of the East Timorese,

as the amount of transfers is based on the Estimated Sustainable Income (ESI), established as 3% of total oil wealth. The objective of the ESI is to smooth out temporarily high oil revenue spending and to shield against the volatility of oil revenue inflows and safeguard sustainable use of public finances.

15. By amending the Petroleum Fund Law in 2011, after a rigorous and participatory process, there was an allocation of up to 50% in government bonds, 50% in fixed income instruments and up to 5% in alternative instruments. This strategy of diversification of the Petroleum Fund proved to be solid and positive and provided solid returns. According to the World Bank, the Fund, which is affected by oil revenues, by the return on net investment and by withdrawals, will have a market value of US \$ 16,922 million by the end of 2018.

16. Still on the development of the oil sector, it is important to remember that in 2007, Timor-Leste joined the Extractive Industries Transparency Initiative (EITI), having developed, with only a decade of independence, a world-class system to manage oil revenue - the first country in Asia Pacific and the third largest in the world to have been granted EITI compliance status - in terms publishing and transparency, in July 2010.

17. The first State General Budget was \$ 75.6 million, corresponding to international donations. By 2017, Timor-Leste's overall budget had grown to US \$ 1,414.4 million. Significant growth in public spending required the Government to develop a system of public finance management that was efficient, accountable and transparent

18. As such, several reforms were initiated for greater professionalism in the Ministry of Finance and other ministries, which has improved management and financial implementation and service delivery.

19. In 2008, to further ensure the best possible management of resources, the Government created the National Petroleum Authority (ANP), transformed in 2016 into the National Authority of Petroleum and Minerals (ANPM), as a public institution responsible for the management and regulation of oil and mining activities in Timor-Leste, both offshore and onshore, and in the Joint Petroleum Development Area (JPDA).

20. To maximize Timor-Leste's participation in the development of the oil sector, the Government also created in 2011 the Timor-Leste national oil company, TIMOR GAP E.P.

21. The creation of the Petroleum and Geology Institute (IPG) in 2012 and of the national mining company Murak-Rai Timor-Leste SA in 2017 aimed to develop geological studies and protect the interests of the State in the exploration of mineral resources from the country.

22. With this real scenario of the current socio-economic situation of the Country, the Eight Constitutional Government assumes job creation as its number one priority. To this end, the

Government commits itself to creating all possible conditions to leverage economic diversification in productive areas such as agriculture, livestock, fisheries and tourism, in addition to the industrial sector. To this end, the creation of a Development Bank, open to foreign investment, aims to provide a credit line to national companies, to start with confidence, an active and effective participation in the country's economic growth.

23. The National Development Bank (BDN) will also play the central role in managing the Veterans' Fund and the Social Security Fund to ensure the future sustainability of these Funds, the proper use of the Veterans Fund and how to give greater certainty in the management of pensions, freeing the State from an annual financial obligation.

## **2. CONTINUING WITH SOCIAL CAPITAL DEVELOPMENT**

"The true wealth of any nation is the strength of its people. Maximizing the overall health, education, and quality of life of the Timorese people is essential if a just and well-developed Nation is to be achieved."

Timor-Leste's economic development is a national goal that depends heavily on the empowerment, health and qualification of its workforce. Investing in human capital is therefore a key strategy to enable sustainable development while creating conditions for greater inclusion, well-being and dignity in Timorese society.

A culturally democratic and developed society is also one that leaves no one behind, investing in the most fragile and vulnerable groups, and where the fundamental role of women, young and old, is assumed for sustainable development, recognizing not only their rights under the Constitution, such as, in the case of women's rights, promoting gender equality and transversality at all political, social and economic moments in the country and in all its institutions.

### **2.1 Education and Training**

Removing barriers to access to education and ensuring that all children and young people have access to quality education, regardless of their social and economic status and where they live in, is a priority strategy of the Government. Access to quality education should never be a privilege of some, but rather education must be an inclusive instrument that allows for the leveling of differences in socio-economic opportunities, and thus, making it possible to promote the equitable development of the Nation.

Education is a fundamental right of all citizens and the main tool for social and economic development, as well as for the creation of a healthy and prosperous society.

In 2023, Timor-Leste aims to achieve better **quality** education with **broader access opportunities for all**, an education that can **effectively meet the needs of the labor market**, contribute to reducing unemployment through lifelong learning and, essentially, break the vicious cycle of intergenerational poverty. Education to be achieved will foster learning to serve as a basis for citizens to become active in sustainable development, nation-building and to apply their human potential and creativity in favor of innovation.

To achieve this result, the VIII Constitutional Government Program in the Education sector reflects a **coherent** and **integrated** program. Through this program, it is stated that the true path to achieve the expected results in a sustainable way is through the **effective participation of the educational community** and the **active contribution of the various public and private entities** (including civil society and the private sector) based on a **firm coordination system**. Also, this Program promotes the definition and implementation of educational interventions based on **scientific and concrete evidence and rigorous, quality studies**.

In this sense, the Government will improve the quality of education and vocational training, ensuring equality of access for the entire Timorese population to all areas of education. To achieve this, it will:

- i) Reform the management and administration of the education system at the level of the Ministry of Education, municipalities and schools, including the definition of adequate procedures and systems for monitoring and evaluation;
- ii) Strengthen the conditions for children between the ages of three and five to have access to compulsory basic education, including pre-school education, in facilities close to their home, and to ensure effective participation of the educational community;
- iii) Solidify the conditions for universal, compulsory and free basic education of better quality. Basic education will be a center to learn to know, learn to do, learn to live with others and learn to be. By the age of six, all children will have access to quality basic education, with the acquisition of solid mathematical and literacy skills in the official languages, and basic skills in the English language as a foreign language, as well as the fundamental values of national identity, of Timorese history and culture;
- iv) Strengthen the conditions for a secondary education where scientific, humanistic and technical knowledge is acquired. Students will learn to apply this knowledge in the productive sectors of the country, being prepared to enter the labor market or to pursue

higher studies, at university or polytechnics. The Government will continue to provide two options: general secondary education, or technical vocational secondary education;

v) Ensure that attendance at higher education can better respond to the labor market, ensuring equal access for all and strengthening the mechanisms for accreditation and quality assessment of this level of education;

vi) Strengthen opportunities for those who want to study and deepen their knowledge, especially the most vulnerable, and those facing the greatest challenges, through attractive and flexible educational programs based on quality methodology for adult education;

vii) Modernize and ensure greater relevance of continuing vocational training efforts by strengthening more effective measures such as mentoring and monitoring, and the use of information technology and IT, multimedia materials and distance learning to ensure quality teachers, able to shape the future of Timor-Leste;

viii) Continue to develop national human resources through multiannual programs, strategies and investments. The Human Capital Development Fund will continue to contribute to the development of youth and adult education and training in a transparent and coordinated manner, based on the identification of the most deprived areas of knowledge and skills;

ix) Strengthen the National Education Commission (CNE) as a mechanism for promoting inclusive and participatory dialogue among all stakeholders in the education sector and close coordination between the Ministry of Education, civil society, the private sector and development partners;

x) Centre the Program in inclusive education, promoting a culture of respect for diversity, recognizing the diverse talents and multiple capacities of all, promoting the success of all students and effectively inviting them to have a future as respected citizens throughout the community, ensuring student-centered education as a daily reality, while still representing the key principle for educational policy.

xi) Consolidate the Tetum language, to guarantee the standardization of the language, to promote its use in educational institutions, in the different areas of governance, in the media and by the general population.

In this way, the Government undertakes to reinvigorate the implementation of the National Strategic Education Plan 2011-2030 and to achieve the following goals over the next five years:

### **2.1.1 Pre-School Education**

- At least 50% of children between the ages of 3 and 5 receive pre-school education or compulsory basic education programs, with special attention to rural communities;
- Implement, in its entirety, the national basic curriculum and pedagogical guidance programs



relating to pre-school education;

- Define a system of administration and management of preschools appropriate to the national reality, capable of ensuring the effectiveness of the teaching-learning process and the maximization of human and financial resources, while promoting the access of preschools to public financial incentives;
- Ensure the construction or rehabilitation of at least 100 facilities for the use of pre-school education, complete with their human resources, equipment and didactic materials.

### **2.1.1 Primary Education**

- Increase the net enrollment rate to 95%;
- Increase the passing rate at the end of basic education to at least 85%;

- Decrease the ratio of students in classrooms to a national average of 1 teacher to 35 students, by building at least 1 050 classrooms;
- Ensure, at a minimum, a 30% increase in pupils' literacy at the end of the second school year, measured based on assessments according to international standards;
- Ensure 100% of Central Public Basic Schools have water and sanitation facilities and libraries in conditions of use and a 50% increase in the number of these schools with access to laboratory facilities;
- Create an infrastructure fund to respond to emergency situations that endanger the safety and health of students and teachers;
- Fully implement the national basic curriculum and its pedagogical orientation programs;
- Develop and implement appropriate pedagogical measures to ensure quality education in rural areas;
- Review the national curriculum for the 3rd cycle of Basic Education, approving the relevant legislation and pedagogical guidelines;
- Consolidate curriculum enrichment activities, including the Horta Pedagógica Program, and create new programs that stimulate cultural, artistic and sporting skills in all Primary Schools;
- Ensure that all students and teachers have access to relevant and quality textbooks and school materials, while promoting the use of Information and Communication Technologies (ICT);
- Create a series of television programs and videos to support the teaching-learning process;
- Define and implement programs of excellence, through a process of sharing of the model standards, to enhance access to quality practices to the neediest public schools, using the Learning and Training School Centers (CAFE) as a resource;
- To deepen the democratic management of schools, through measures that strengthen the participation of parents and students;
- Strengthen the implementation of curriculum content in training for civic values, gender equality and respect for diversity.

### **2.1.2 General Secondary and Technical-Vocational Education**

- Achieve up to 85% of the gross enrollment rate, opening several necessary vacancies, in new and existing schools;

- Build or rehabilitate at least 300 classrooms through the program of construction and rehabilitation of new schools and classrooms of Secondary Education;
- Ensure 100% Public High Schools are fully equipped and ready to serve as an appropriate learning venue, with laboratory and library facilities, with a safe and respectful environment;
- Initiate the implementation of evaluation measures by the international standard for the measurement of learning outcomes (e.g. PISA), serving as the baseline for enhancing the quality of this level of education and as a mechanism for measuring progress;
- Review the National Curriculum of General Secondary Education to promote better adaptation to regional and international standards of education, ensuring the acquisition of practical and laboratory skills, and cultural, artistic, sporting, life skills and transversal skills of entrepreneurship;
- Review the National Curriculum of Secondary Technical-Vocational Education, to promote better adaptation to the needs of the market such as agriculture, industry, mechanics, electronics, construction and service delivery, geared to the arts, tourism and catering, and focusing on the development of rural areas;
- Ensure that teachers have access to teaching materials capable of supporting curriculum implementation;
- Ensure that 100% of General Secondary School Teachers have the minimum qualification required by law, by continuing to provide continuing teacher training in curricula and pedagogical guidance programs;
- Use information technology and communication technologies as a tool to promote modern and quality education;
- Implement a professional counseling program to support the choice of students for courses in Higher Education;
- Promote strong partnerships with relevant entities, as well as the private sector, to ensure affordable and quality Secondary Education, including financial support and student placements, tailored to market needs;
- Define and implement programs of excellence, through a process of sharing of the model standards, to enhance access to quality practices to the neediest public schools.

### **2.1.3 Continuing Education**

- Use attractive and flexible methodologies, to increase the rate of approval and graduation of Continuing Teaching programs;

- Evaluate and reinforce the Community Learning Centers, essentially ensuring that they have, at their base, the effective participation of civil society and local community, maximizing their use for various educational activities within the community;
- Strengthen the quality of Continuing Teaching, through access to didactic materials with concrete contents and easy to understand;
- Expand the equivalence program to secondary education, based on a feasibility study.

#### **2.1.4 Strengthening Social Cohesion Through Education**

- Promote the integration of necessary physical modifications in all new public-school facilities;
- Implement an educational system of reinforcement, accompanied by in-depth training for Teachers, together with a specific support program for Public and Private Schools that provide a specialized educational service to students with special educational needs, allowing them to better serve the population
- Ensure the institutional and technical strengthening of the Inclusive Education Resource Centers, based on a rigorous needs' analysis;
- Promote nutritious student nutrition, including improved implementation of the School Lunch program, strengthening its management and effectiveness through interministerial coordination mechanisms;
- Establish links with the Family Health Program and other relevant programs to coordinate support for the physical and mental health of children, at school and at home, including those with psychological problems, trauma and other health problems;
- Strengthen coordination with the Bolsa da Mãe program, while also providing access to scholarships for students with special educational needs;
- Promote support measures for children, who do not have knowledge of one of the official languages when they are integrated into the education system, by continuing the EMBLI pilot program by the end of the 6th school year, by reinforcing specific training on use of the first language as a bridge to the learning of the official languages
- Develop a program of recreational and entertainment activities and other innovations to promote knowledge of the two official languages for young children;
- Develop and implement a specific program to ensure that adolescent mothers continue to have access to education on an equal footing;
- Develop a program that encourages people with disabilities to participate in professional activities of great relevance to national development, including as Teachers;
- Initiate the implementation of a school transportation program, using appropriate methods considering the national reality, and the active participation of the educational community;

- Increase the percentage of Women in Teaching and in Management and Leadership positions in entities relevant to education for an increase of at least 15%.

### **2.1.5 Management & Quality of Teaching**

- Promote a rigorous system for the Evaluation of Teaching, Management and Accreditation of Schools, and implement training programs capable of filling identified weaknesses;
- Promote the strengthening of mechanisms to control the number of hours of formal education for each student;
- Strengthen the human resources system, in Education and Teaching establishments, based on merit, professionalism and competence, as well as provide incentives, training and capacity building, and implement a performance evaluation based on qualitative means and career progression, capable of ensure professional valuation;
- Implement measures capable of matching the qualification of the Teachers, with the function to be performed, and ensure that they are placed according to the real need;
- Ensure that the entire planning, funding and procurement process is of quality, and implement steps to monitor its effectiveness, using education data and population data as a key planning, monitoring and evaluation tool;
- Modernize the different levels of Education, using computer technologies in school administration and management and in the computer system of school management;
- Strengthen the capacities of the Municipal Services, including, through effective coordination with the process of administrative decentralization and training in management and administration and other necessary areas;
- Ensure efficient school management, through the definition and implementation of regulations on teacher and student discipline and school funding;
- Improve the relationship between schools and parents, including promoting parental involvement and awareness-raising campaigns for parental involvement in the education of children;
- Implement personal enrichment programs for students, namely through sports activities, scouts, civic, artistic and cultural activities;
- Restructure INFORDEPE so that it can provide a progressive professional development of the human resources of the education sector and ensure a more effective training for managers and teachers;
- Prepare Teachers, according to relevant areas of specialization, ensuring their effective placement before the beginning of the school year;
- Promote the quality and relevance of the National Institute of Linguistics, and further resources for the strengthening of the official Tetum language and other national languages;

### **2.1.6 Higher Education**

- Promote the quality and relevance of the National Institute of Linguistics, and further resources for the strengthening of the official Tetum language and other national languages;
- Ensure a comprehensive and expanded Higher Education System, regulated by strict quality standards that respond to the needs of the Country and respect the National Qualification System of Timor-Leste;
- Fully implement the regulatory and funding frameworks of public and private institutions, including the definition of relevant teaching areas and the maximum number of places;
- Strengthen the capacity of the National Agency for Academic Evaluation and Accreditation (ANAAA) to promote quality assessment and accreditation of higher education establishments;
- Continue strengthening the scholarship program through the Human Capital Development Fund (FDCH), ensuring that it responds to the country's strategic areas for development, identified through the FDCH human resource mapping, and guarantees access based on merit and specific social programs;
- Continue to strengthen the quality of teaching at Timor Lorosa'e National University, including the creation of new courses tailored to the needs of the country's socio-economic development, improvement of infrastructure conditions - including a modern complex of the Faculty of Engineering in Hera - and strengthening of the Faculty of Education, Arts and Humanities, namely in the training of new teachers;
- Take the initial steps to create a University City, in the Municipality of Aileu;
- Strengthen Technical Higher Education through its expansion in strategic areas for the national economy, namely the Higher Polytechnic Institute of Hospitality and Tourism, Lospalos, and the Manatuto Academy of Fisheries and Marine Studies, and improving the conditions of infrastructures, management and teaching at the Polytechnic Institute of Betano;
- Promote the link between Technical-Vocational Secondary Education and Technical Higher Education;
- Strengthen the National Institute of Science and Technology, through the operation of all the bodies provided for in its statute, to develop research studies and analysis of applied sciences, as well as their registration and their dissemination;
- Implement programs that foster broad access to academic materials for students and teachers through physical and digital libraries;
- Promote the link between accredited higher education institutions, public and private, with qualified national companies with the objective of ensuring the alignment between the educational offer and the market needs;
- Elaborate and approve a Management and Organization Policy for Higher Education, which establishes guidelines on the diversification of educational offer, compliance with the Minimum Standard curriculum and official languages, and promotes the educational community's identity, patriotism and social cohesion;
- Normalize the implementation of the University Teaching Career, including the analysis of the

current modalities of continuing and postgraduate training of higher education teachers;

- Ensure the effective use of official languages in higher education and study the creation of a "year zero" to strengthen language skills and serve as a reinforcement of basic scientific knowledge;
- Advance in the approval of Higher Education related structural and specific legislation, namely the approval of the Law of Bases of Higher Education, the Binary System of Credits and the Legal Regime of the Minimum Standard Curriculum of Higher Education and the formalization of the creation of the Council of Rectors;
- Promote the use of the official languages as exclusive languages of training and education across all higher education institutions;
- Introduce a Student Loans Fund, with the aim of promoting greater equity and gender equality in access to higher education to students from all over the country;
- Create mechanisms and procedures that ensure the mapping, monitoring, inspection and regular monitoring of all Higher Education institutions, with the aim of ensuring the quality of teaching;
- Develop a training program for Higher Education to provide meaningful administrative, coordinating and regulatory services to support the system;
- Promote Higher Education cooperation, duly regulated and in accordance with Timor-Leste's priorities, with accredited foreign higher education institutions;
- Approve and implement a program to combat academic plagiarism in public and private higher education institutions;
- Develop partnerships with ASEAN and CPLP countries to foster exchange of experiences, student and faculty mobility and other academic activities.

### **2.1.7 Human Capital Development Fund**

The Human Capital Development Fund (FDCH) was established in 2011 with the mission of contributing to the development of national human resources in various strategic development areas through the funding of pluri-annual training programs and projects aimed at strengthening the capacity of East Timorese professionals. This fund includes vocational training programs, mainly focused on young people, technical vocational training for civil servants as well as young teachers, Police and Defense Forces and scholarship programs for state officials and the public, with the objective they acquire an initial or advanced academic degree.

The Government will continue to:

- Invest in the FDCH to provide education and extended professional training in a coordinated and strategic way;
- Monitor and evaluate FDCH programs;
- Analyze and map the human resources of the public sector of Timor-Leste;

- Produce and disseminate scholarship guides and access to training;
- Improve human resource regulations and manuals for FDCH employees.

## **2.2 Health**

All citizens have the right to health and medical care and the duty to defend and promote it. According to the Constitution of the Republic, the State should promote the creation of a universal, general and, where possible, free universal health service.

The Government will continue to implement the National Health Policy and the National Strategic Plan for the Health Sector 2011-2030 (PENSS 2011-2030), maintaining the vision of having a "healthy Timor-Leste", where all East Timorese can have access to health care and where health is seen as a global development factor in the fight against poverty.



Government initiatives for the health sector will continue to be guided by maximizing efforts to ensure better delivery of health services, as well as generalizing access to quality health care, constantly assessing efficiency, transparency and professionalism in the management of financial, human, material and logistical resources, infrastructures and equipment.

To this end, the National Health System will be strengthened, represented by a set of interdependent elements that contribute to health and well-being in families, educational establishments, workplaces and public places and together with communities through the training of health care providers, health professionals, drug supply and distribution systems, and emergency medical systems.

### **2.2.1 The general objectives for the Health sector are:**

- i. Improve the delivery of health care throughout the country, with special attention to remote areas and the most disadvantaged sections of the population, following the principles of inclusion, equity, efficiency and quality.
- ii. Improve financing systems and management of financial, human, logistical, material and equipment resources and health infrastructure;
- iii. Further develop efforts towards the decentralization of Health Services, improving coordination with the Ministry of State Administration and relevant institutions;
- iv. Improve the intersectoral coordination of the entire Government towards the achievement of a "healthy Timor-Leste", including improving nutrition and sanitary conditions through concerted strategies to improve agriculture and food self-sufficiency, increase animal production and improve the fisheries sector, as well as through the provision of electricity, clean water and basic sanitation;
- v. Review and improve the structure of the National Health System, its organization, resources and technical capacity to improve the provision of integrated services in enough quantity and quality, including improving the systems for planning, monitoring, evaluation and collection of indicators.
- vi. Continue to invest to ensure safety and quality improvement of health service delivery;
- vii. Ensure better functioning of the Autonomous Service of Medicines and Health Equipment (SAMES, I.P) and the National Health Laboratory, to guarantee the availability and distribution of medicines, reagents and medical consumables with efficiency, speed and quality.
- viii. Ensure better operation of Emergency Services and patient transfer;  
Establish partnerships with Civil Society, Private Sector and Development Partners to develop awareness campaigns throughout the country that improve health prevention and improvement of health care and promotion of healthy habits in the sectors of nutrition, immunization, reproductive health, mental health and environmental health.

To pursue these objectives, the Government will carry out the following actions and seek to achieve the following goals:

### **2.2.2 Provision of Primary Health Services**

1. Ensure that all sucos, with a population of 1500 to 2000 people, mainly located in remote areas, have access to a Health Post with a comprehensive package of services;
2. Ensure that the Community Health Centers, in the administrative posts, provide attendance to between 5000 and 15000 people, and have the capacity to manage about 4 Health Offices in their respective geographic areas;
3. Increase the rate of pregnant women who receive antenatal care at least four times during the gestation period to 70%;
4. Increase the rate of childbirth assisted by a health professional to 80%;
5. Increase the rate of coverage of postnatal care to 90% in the first two weeks after delivery;
6. Continue to promote the improvement of the nutritional status of the population, with a special focus on infants and children, including the prevention and treatment of nutritional deficiencies, as well as through campaigns to change nutritional behavior - a goal that can contribute to reducing the rate of malnutrition (malnutrition and obesity), including the percentage of children benefiting from monitoring of growth;
7. Guarantee 90% immunization against poliomyelitis, measles, tuberculosis, diphtheria and hepatitis B;
8. Continue to prepare and implement the plan for the prevention of rheumatic heart disease and rheumatic fever;
9. Reduce the impact and raise awareness and prevention of diseases such as HIV/AIDS, tuberculosis, asthma, malaria, dengue and leprosy;
10. Continue to improve access to treatment related to psychological and mental illness;
11. Strengthen actions to promote oral health and improve dental services;
12. Strengthen actions to promote eye health and improve ophthalmological services;
13. Strengthen health promotion actions based on eating habits and improve service delivery for cardiovascular diseases, diabetes and hypertension;
14. Promote general health campaigns involving families, communities and schools, for the prevention of diseases related to the consumption of drugs, tobacco, alcohol, sexually transmitted diseases and other risk behaviors in the face of contagious diseases.

### **2.2.3 Provision of Hospital Health Services**

1. Continue to plan, finance and make available the provision of cardiac and palliative care at the Guido Valadares National Hospital;
2. Plan, finance and make available oncological and renal care, as well as other specialized health care at Guido Valadares National Hospital;
3. Establish neurosurgery services;

4. Increase the number and quality of specialized doctors and technicians at Guido Valadares National Hospital and Reference Hospitals, considering a comprehensive package of secondary and tertiary health care;
5. Strengthen the conditions and availability of the National Hospital and Reference Hospitals so that they continue to serve as training centers for all health professionals, with increased quality;
6. Prepare a detailed study to gauge the country's needs and financing conditions, with a view to achieving the goal of building a hospital in each municipality by 2030;
7. Reduce the transfer of patients for medical treatment abroad, through an offer of better services, equipment, means of diagnosis and specialized doctors at Guido Valadares National Hospital;
8. Implement policies to decongest hospitals, i.e. "return" or "counter referral" of patients requiring primary care to CSCs;
9. Decentralize the management and financial management competencies of Reference Hospitals to ensure institutional strengthening and better autonomy over the management of resources allocated to these hospitals.
10. Reform the National Health Laboratory to improve access and management of laboratory services throughout the territory
11. Reform the Blood Bank for better management of blood supply systems and their substitutes.

#### **2.2.4 Infrastructures in the Health Sector**

1. Continue to build and rehabilitate Health Centers to reach the goal of 1 Health Post for each suco and for each locality with 1000 to 5000 inhabitants;
2. Continue to rehabilitate and increase the capacity (equipment, human resources) of the Community Health Centers;
3. Ensure that both Health Centers and Community Health Centers are properly equipped and operational, including expanding HNGV facilities/buildings to accommodate additional specialties and providing accommodation for visiting specialists;
4. Expand medical equipment but also support and access to information technologies;
5. Ensure that 100% of the buildings integrated in the National Health System have access to electricity, drinking water and basic sanitation;
6. Ensure that health professionals who perform functions outside their area of residence, and especially in remote areas, have adequate housing;
7. Continue to rehabilitate and increase the technical capacity of Reference Hospitals to be able to offer more specialized services to the population;
8. Continue to increase the buildings of the central services division of the Ministry of Health to decently accommodate existing staff.

#### **2.2.5 Management & Distribution of Medicine & Medical Equipment**

1. Enable the Autonomous Service of Medicines and Health Equipment (SAMES, I.P) to provide better services and ensure the efficiency in the procurement and logistics of pharmaceuticals and medical equipment for the National Health Service.
2. Reduce stock break to less than 20% in the SAMES warehouse and less than 10% in the health units;
3. Improve the provision and distribution of medicines and associated products throughout the National Health Service, focusing on speed, efficiency, transparency and quality of services, through better coordination and communication between SAMES and relevant entities;
4. Reform the National Health Laboratory for better management and quality control of clinical analyzes and blood supply systems;
5. Implement regulations and supervision of pharmacies and non-specialized drug sales.
6. Regulate the use of alternative and complementary medicine and promote traditional Timorese medicine.

### **2.2.6 Medical Emergencies**

1. Ensure the quality and efficiency of the emergency services, from the service line, to the speed of response with appropriate means and professionals to each emergency case, 24 hours a day;
2. Ensure the existence of an adequate and appropriate fleet of emergency transport, namely ambulances and multifunction vehicles, with capacity to travel throughout the country;
3. Strengthen the capacity for emergency evacuation by air, especially from remote locations or difficult to reach by land.

### **2.2.7 Management & Administration of the Health Sector**

1. Implement the National Health Strategic Plan 2011-2030;
2. Review and improve the structure of the National Health System, including its organization, resources and technical capacity, to improve the delivery of integrated services, including improving systems for planning, monitoring, evaluation and collection of indicators;
3. Improve financing systems and the management of financial, logistical, material and equipment resources and infrastructures in the health sector;
4. Develop and operationalize a plan for the optimization of human and material resources, including training, capacity building and performance evaluation, to improve the hygiene and conditions of all buildings providing primary and hospital health services;
5. Implement a survey of the conditions, and subsequent improvement, of the health units in all primary and hospital health care facilities;
6. Continue efforts to decentralize health services, improving coordination with the Ministry of State Administration and relevant institutions;
7. Develop and implement appropriate standards of health and safety at work in all State institutions;
8. Fully implement the regulation of the provision of services by private health units, in accordance with the public health system;
9. Improve Health Information Systems with a view to collecting the clinical information of each user in a single register, allowing for its rapid consultation and, at the same time, electronic prescription of medicines and use of complementary diagnostic means, with the objective of gathering an Electronic Health Record for all citizens.

### **2.2.8 Health Human Resources**

1. Continue to create conditions so that all Health Posts have of 1 doctor, two nurses and two midwives;
2. Continue to create conditions so that all villages, located more than an hour's walk from a health center, have access to a competent health professional;
3. Continue to train the National Institute of Health to guarantee the quality of teaching, investigation and health research, and to improve the supervision of the training institutions of the sector;
4. In partnership with higher education institutions and the Ministry of Higher Education, Science and Culture, review higher education curricula for the training of health professionals;
5. Implement policies to ensure academic training, professional qualification and continuous training of health professionals;
6. Continue to invest in improving professional skills and technical capabilities of human resources in health by providing appropriate training to senior, middle and senior staff;
7. Stimulate partnerships and international cooperation to train and capacitate health professionals, from specialized health professionals to technicians and other human resources in the health sector, as well as in administration, management, finance, procurement and accounting;
8. Implement labor force plans, staffing charts, regulations and standards and codes of conduct of health professionals.

## **2.3 Social Inclusion, Social Protection and Solidarity**

Since the country became independent, successive governments have been giving priority to assisting the poorest and most vulnerable citizens of Timorese society. Although we know that, in the long term, the provision of quality education and training and the creation of employment opportunities will be the fundamental instruments to escape from poverty, until then it is the State's duty to ensure that the National Liberation Combatants (who made numerous sacrifices for the Homeland), women and children (who hold the key to the success formula for sustainable development), as well as poor and needy families, the elderly and other vulnerable citizens (such as people with disabilities), have access to the satisfaction of their basic needs and well-being, as well as access to opportunities to emerge from their state of fragility.

The Government will therefore continue to support this segment of the population, while developing policies and strategies that reduce dependence on State support, in particular;

- Approve and consolidate the National Strategy for Social Protection;
- Implement the Law on the General Social Security System and ensure the protection of workers and their families, also in situations of maternity, paternity, adoption, old age, disability and death;
- Consolidate the National Social Security Institute to manage the social security system, including contributory and non-contributory systems, with independence, transparency, effectiveness and efficiency;
- Approve the Social Protection Base Law;
- Review and evaluate the legislative and operational documents of the Support for the Elderly and Invalid (SAII);
- Review and evaluate the Bolsa de Mãe program, a conditional support allowance that will be readjusted, and social monetary support to the neediest families, with a special focus on investments in the health and education of children;
- Extend the construction of Social Solidarity Centers (CSS), already existing in the Municipalities, to all Administrative Posts;
- Improve the Social Assistance Services (SAS) of proximity to the communities, through the Social Solidarity Centers (CSS);
- Improve the Support Program for Social Solidarity Institutions, with priority given to those with a greater impact on aid to children and young people, the elderly, women and citizens with disabilities, as well as in social integration, humanitarian development and support in emergency situations in case of natural disasters, prevention and repair of situations of need and dependence;
- Promote social cohesion actions that promote dialogue, community security and conflict resolution and social problems at the community level.

### **2.3.1 National Liberation Combatants**

The Constitution stipulates that the State shall ensure special protection for war mutilated, orphans and other dependents of those who have dedicated their lives to the struggle for independence and national sovereignty and to protect all those who participated in the resistance to foreign occupation under the law. The law also defines mechanisms for honoring national heroes.

The Government will therefore continue to recognize the inestimable value of national heroes, to preserve and celebrate the memory of the struggle and to ensure that all those who have lived with sacrifice to achieve the common good can now live with dignified conditions, because the dignity of the country also depends on it.

The Government will continue to carry out the following actions:

- Promote the official recognition of Veterans and Combatants of National Liberation (CNL), through the awarding of medals and awards and other acts of official recognition, giving special attention to CNL, with 3 years in the Support Base, which, under the current law, do not benefit from any pension;
- Assign Honorary Diplomas to all Veterans and CNL already with validated registrations and processes;
- Continue to promote Commendation ceremonies for Veterans, Martyrs and CNL, which, until now, have not yet received honorary medals from the State;
- Assign a Single Pecuniary Benefit pension to the CNL, with a 3-year Support Base, equivalent to the CNL with Exclusive Dedication of 4-7 years, for the revision of the Law on the Status of Combatants of National Liberation;
- Review the statute for the relatives of the deceased Combatants, with exclusive dedication of 4-7 years, to acquire the right to a single monetary payment;
- Review the Statute to give exclusive dedication to combatants killed during the fighting period but not considered martyrs;
- Complete all Claimed and Pending processes of the 2003-2005 registry;
- Accelerate the process of verification and validation of the 2009 registrations;
- Open a new registry to Veterans and NCLs that did not request registration in 2003 and 2009;
- Ensure social protection and pensions for Veterans and National Liberation Combatants, as well as the families of martyrs and mourners;
- Implement a system for granting scholarships to the children of martyrs and Combatants of National Liberation, covering all levels of schooling, from basic education to university education;
- Integrate Veterans and National Liberation Combatants into economic and social life, including access to qualifications and employment opportunities;
- Encourage the creation of self-sustaining businesses for Veterans and National Liberation Combatants;
- Study the feasibility of creating an Investment Fund for the Special Retirement Pension and the Subsistence Pension;
- Advise the Veterans and CNL to meet in associations or cooperatives and stimulate investment in micro, small or medium enterprises with the own pension money;



- Implement programs for the preservation and valorization of the History of the Struggle, as well as the construction of Historical and other Monuments (cemeteries, gardens of heroes, etc.);
- Build new special cemeteries (in Ainaro, Natarbora, Cova Lima, Kelikai, Iliomar, Uato Lari, Ermera, Maliana) and finish the already built but now unfinished cemeteries (Laga and others) and the continuation of the Garden of Heroes in Metinaro;
- Burial of remains already collected in 'Uma Mahon', in almost all municipalities;
- Encourage Veterans and CNL to continue collecting the remains;
- Implement programs for the preservation and appreciation of the History of Fight, as well as the celebration of historical moments and days;
- Complete a rigorous investigation into the History of the National Liberation Struggle and launch it with schools and communities, so that future generations know the past, honor the present and value the future, in cooperation with the Culture sector;
- Creation of the National Independent Scientific Commission for the History of the National Liberation Struggle, foreseen in art. 36 of the CNL Statute;
- Implement the Decree-Law that approves the Organic Statute of the National Council of National Liberation Combatants and support their programs and initiatives, including their participation in national development programs, namely the NCCNL Installing Commission.

### **2.3.2 Women**

Women and men have the same rights and obligations in all aspects of family, cultural, social, economic and political life. For these rights to be realized and for Timorese women to contribute better and more to our society and the country's growth, the Government will

- Encourage the creation of self-sustaining businesses for women heads of household and for women victims of domestic violence and gender-based violence, with the aim of ensuring their economic independence;
- Ensure that 60% of women have equal opportunity to access decision-making positions, and to justice and security (PED 2022);

- Cooperate with the Ministry of Education, Youth and Sport to review and continue to implement gender-sensitive curricula and ensure that they are implemented effectively and with quality in education systems;
- Continue to promote vocational training actions, in areas susceptible to the creation of small and medium-sized enterprises and cooperatives, led by women;
- Cooperate with the Ministry of Education, Youth and Sport and the National Commission on the Rights of the Child to ensure that 75% of school-age girls complete basic education (PED 2022);
- Continue to implement the National Plan of Action against Gender-Based Violence (PED 2017-2021);
- Continue to implement the National Plan of Action on Women, Peace and Security;
- Continue to implement campaigns to combat domestic violence;
- Continue to implement the gender sensitive budget policy;
- Coordinate with SEFOPE to ensure better conditions of service for women, who are also mothers and educators, through the revision of labor legislation;
- Support women's organizations and associations that uphold the rights and interests of women.

### **2.3.3 Children**

The child has the right to special protection by the family, the community and the State, particularly against all forms of neglect, discrimination, violence, oppression, sexual abuse and exploitation. The child enjoys all the rights that are universally recognized, as well as all those that are enshrined in International Conventions, regularly ratified or approved by the State. All children, born in or out of wedlock, enjoy the same rights and the same social protection

With this in mind, the Government will continue to take measures to:

- Implement the Legal Framework for Protection of Motherhood, Paternity and Adoption, along with other measures to support vulnerable children;
- Approve and implement the Law on the Protection of Children in Danger;
- Implement the Child Protection Network in all Administrative Posts in the Country;
- Capacitate the National Commission on the Rights of the Child and implement the National Plan of Action for Children;
- Create and stimulate occupational programs and specific books for children institutionalized in orphanages, with due pedagogical and psychological accompaniment;
- Promote awareness-raising campaigns and actions on the rights and duties of children, and on relevant legislation affecting children;

- Increase social inclusion programs for children, considered marginalized or in conflict with the law;
- Create programs that prevent children from being marginalized or becoming delinquent;
- Continue to implement prevention, protection and assistance programs for children who are victims of violence, neglect, incest and sexual abuse, in particular through a safe service line for reporting these cases;
- Improve monitoring and treatment by police, prosecutors and courts of cases of violence and abuse against children.

#### **2.3.4 Aged**

All senior citizens have the right to special protection by the State. Third-age policy encompasses measures of an economic, social and cultural nature aimed at providing the elderly with opportunities for personal fulfillment through a dignified and active participation in the life of the community. Giving attention to this section of our population, the Government will:

- Continue to provide cash grants to the elderly, through the Subsidy for Support of the Elderly and Invalids (SAII);
- Establish Centers for Elderly Care in all Municipalities;
- Develop campaigns on the rights of the elderly and promote their integration and special care in families and communities;
- Create Free Time/Occupational Therapy programs for the elderly, promoting their well-being and integration into society (it may include sports activities, arts, traditional technologies such as pottery and handicrafts, painting, walks, or merely spaces of conviviality).

#### **2.3.5 Other Vulnerable Groups**

The citizen, with a disability, enjoys the same rights and is subject to the same duties of other citizens, except for the exercise or fulfillment of those for which he is unable due to the disability.

As support measures for these groups of citizens, the Government will:

- Encourage the creation of self-sustainable businesses for citizens with disabilities;
- Improve nationwide capacity to provide quality services to vulnerable people, including the construction of equipment and equipment accessibility to public institutions;
- Develop support programs for families and communities who are responsible for persons with disabilities;
- Continue to develop Rehabilitation and Service and Outreach Programs to improve the quality of life of people with disabilities through specialized and integrated rehabilitation;
- Conduct a survey of people with chronic diseases and create support programs, as well as promote awareness campaigns on chronic diseases;
- Implement the Maubisse Declaration, which focuses on the attribution of equal opportunities for women in terms of education and vocational training, access to the labor market and social and political life;
- Implement rehabilitation programs for prisoners and ex-prisoners with a view to their integration into society;
- Invest in food assistance programs to support the victims of natural disasters and vulnerable individuals and families;
- Improve the mechanisms for disaster relief and assistance to victims of natural disasters, including the construction of infrastructure and distribution of building materials and materials for storage;
- Carry out training and capacity-building actions for prevention, mitigation and action in the event of natural disasters in all communities in the country;
- Survey the existence of drug addicts in the country and create conditions for their recovery and counseling, while reinforcing awareness campaigns on drug use and combating illegal trafficking;
- Support the National Commission to Combat HIV/AIDS and continue to carry out prevention campaigns on HIV-AIDS transmission, provide support to patients at the Tibar Health Recovery House, as well as improve care in terms of nutrition, care health and treatment of patients with HIV-AIDS and to develop integration and therapy campaigns.

## 2.4 Culture & Heritage

According to the Constitution of the Republic, the state recognizes and guarantees citizens the right to culture and determines that everyone has the right to cultural enjoyment and creation, as well as the duty to preserve, defend and value cultural heritage. Culture is also a peaceful and constructive way of developing personality and expressing emotions, enhancing an awareness of citizenship and valuing individual sensitivity and empathy for the other. Thus, culture has a fundamental and irreplaceable role in building a peaceful and modern society.

In this sense, efforts will be made to promote and enhance the various artistic expressions, in addition to safeguarding and promoting the historical and cultural heritage, both tangible and intangible, including archaeological and built heritage, music, languages and dialects and oral history, traditional architecture, handicrafts and any and all forms of artistic, traditional or modern expression.

The Government will also make use of culture and cultural heritage to promote patriotic awareness and a sense of belonging and national identity, thus contributing to create optimism and well-being in the population and stimulate their participation in the sustainable development of the country.

We will therefore promote the following general objectives in the culture and heritage sector.

- Foster the national identity and Timorese culture, to contribute to the construction of a peaceful, tolerant and creative Nation;
- Ensure that the entire population has access to the diversity of knowledge, artistic expressions and cultural elements, with respect to the country's historical and geographical specificities;
- Increase cooperation, partnerships and artistic and cultural exchanges with other nations and with international organizations, to promote Timorese culture and heritage abroad, but also as a learning and training strategy for our cultural institutions and our cultural producers and national artists;
- Increase cultural tourism and support initiatives, public or private, aimed at developing the national cultural heritage;
- Improve and strengthen intersectoral coordination, to promote culture in a cross-cutting way, including vocational training and cultural and artistic teaching in schools;
- Promote research, safeguarding and dissemination in the cultural heritage sector (including anthropological, archaeological, ethnological, linguistic and sociological studies);
- Encourage greater consumption of art and culture in the country and encourage the conservation of cultural heritage;
- Continue to promote all national cultural events, including fairs, competitions and traditional

ceremonies, among others;

- Continue to support the "National Center Chega" and its programs and initiatives, to preserve the memory of the past and to promote reconciliation and peace at national and international levels;
- Develop a legal framework for the preservation of the historical sites of the country and the rules of rehabilitation and conservation (in coordination with relevant governmental entities, namely the Ministry of Justice);
- Develop a mapping program of all historical sites, in coordination with relevant governmental entities, namely with the Ministry of Tourism;
- Develop the necessary steps, in particular with the Ministry of Education, to place the materials and contents of the "National Center Chega" in teaching curricula;
- Create appropriate legislation to protect intellectual property and copyright;

To achieve the general objectives described above, the Government will develop the following actions and achieve the following goals:

- Build a Museum and Cultural Center in Dili (PED 2015);
- Build a National Library;
- Establish the Academy of Art, Culture and Creative Industries;
- Establish Regional Cultural Centers in Oe-cusse, Liquiça, Ermera, Maliana, Ainaro and Suai (PED 2020);
- Create a national theater and dance company and promote regular events and visits at the municipal level;
- Establish partnerships with national and international partners to develop programs, content, curricula, teacher training and technical expertise needed for the above programs;
- Implement the Cultural Heritage Law and the Library Bases Law;
- Continue to survey cultural assets throughout the country and disseminate them through an online database;
- Invest in the training of staff and support research in cultural areas, through partnerships with national and international academic institutions;
- Promote the creation of national associations that define, promote and conserve cultural heritage, also through cooperation with international institutions and bodies;

- Improve co-ordination between government bodies responsible for culture and government agencies responsible for tourism to develop programs in the field of cultural heritage and cultural action that are attractive to the tourism sector;
- Strengthen historical, cultural, linguistic and artistic ties with the CPLP countries through the promotion of programs, events and exchanges in the cultural and artistic fields;
- Strengthen ties of cooperation and friendship with ASEAN and the Pacific countries through programs, events and exchanges in the cultural and artistic fields;
- Strengthen cooperation with UNESCO;
- Review existing legislation in the culture sector and correct the necessary gaps to provide a legal framework that effectively supports, promotes and harmonizes initiatives in the cultural area and its stakeholders;
- Create legislation to promote cultural patronage;
- Launch, in various formats, the contemporary history of Timor-Leste, including data on historical research and surveys conducted throughout the country, on the period of resistance and the struggle for independence;
- Provide exhibitions, museum spaces and installations made with the Resistance period and the history of the National Struggle, including the "Underground Resistance Shelters" museum spaces, locations marked by important events, permanent, temporary and international exhibitions, through support and promotion the Timorese Resistance Archive and Museum (AMRT);
- Promote cultural and artistic activities, especially in the sector of artistic expression, such as the creation of national prizes that encourage a broad participation, such as sponsorship and patronage.

## 2.5 Youth

The State promotes and encourages Youth initiatives in the consolidation of National Unity, in the reconstruction, defense and development of the Country. The State promotes education, health and vocational training for young people as far as they can.

Timorese youth are the future leaders of the Nation and it is up to them to transform the Country by contributing to its sustainable development. Timor-Leste is a very young nation, where more than 50% are under the age of 20, most of whom need to acquire better and more qualifications and access to job opportunities and personal and professional fulfillment.

The commitment of the Timorese Government is to create opportunities that enable young people to realize their potential.

To this end, the Government intends to implement the following actions and achieve the following goals:

- Implement the National Youth Policy and national action plans that promote the development and autonomy of Youth;
- Implement the National Youth Development Council, to create conditions for better coordination between public and private entities, to ensure the dynamization of initiatives for young people and their entry into the labor market, as well as to ensure the preparation of policies and the implementation of national action plans, related to the strategies approved in the National Youth Policy;
- Establish a Youth Fund to finance projects and programs to support young people and their development (MDP 2015);
- Support the establishment of Youth Associations;
- Continue to promote the Youth Parliament ("Foin Sa'e Parliament"), including the leadership training, critical thinking, capacity for debate and social analysis;
- Build a National Youth Center in Dili (PED 2020);
- Develop leadership training courses to promote good physical condition, administrative qualifications, conflict resolution and civic values;
- Improve existing Youth Centers and building Youth Multifunction Centers in all municipalities to provide training in areas such as languages, technology, art, music, sport and civic education.



## 2.6 Sport

One of the best ways to properly shape the character of young people and foster values of cooperation, friendship and team spirit, while improving the physical condition of young people, is to bet on the development of Sport.

Sport is a crucial part of the lives of young people, engaging them in better and more social relationships and promoting dialogue, tolerance, ethics, democracy, healthy competition and even leadership. In general terms, Sport can unite people and make them work towards a common ideal, promoting a strong national identity, which is expected of all citizens in the construction and development of the country.

Finally, physical activity is an important factor for the quality of life of human beings, ensuring a higher productivity of people and a sense of well-being.

To promote and encourage the practice of sports activities for our youth, girls and boys, the Government will continue to develop the following goals and actions:

- Review and implement the Timor-Leste Strategic Sports Plan;
- Finance promote and support sports activities in all communities in the country, to promote competitions of various modalities, at national level;
- Support and develop human resources in the areas of sports facility management, athlete training and development, team management and event management;
- Support the participation of communities and students in sporting activities, through community and school clubs and sporting events, including improving coordination between government bodies responsible for Sport and government entities responsible for Education.to promote School Sport and government entities, responsible for the area of Sport and municipal entities, to develop Municipal Sports;
- Ensure participation in the CPLP and ASEAN university games;
- Encourage and develop talents to promote high competition sport;
- Encourage and promote sports tourism, including Extreme sports and marine sports;
- Focus on the development of popular sports in Timor-Leste, such as martial arts and football;
- Develop football, volleyball and basketball, including the development of leagues, in partnership with national and international entities;

- Support the Martial Arts Regulatory Commission to develop this modality in a peaceful and gratifying way for its participants, complying with the Martial Arts Law at the national level;
- Promote healthy competitions between martial arts groups, with the aim of promoting friendship and solidarity among these groups;
- Rehabilitate sports infrastructures and build new facilities, including multi-purpose gymnasiums in each municipality (PED 2020), and rehabilitate the Dili stadium and gymnastics complex.

## **2.7 Information & Communication Technologies (ICT)**

We are living in an age of globalization and technology, where citizens of any country can access knowledge quickly and comprehensively. It is, however, necessary to create conditions for access to information and communication technologies and to instill in people and institutions their active participation in the production, dissemination and use of knowledge.

The domain of Information and Communication Technologies will contribute to improving the quality of education and training, to improve management and public administration and to develop the private sector, factors necessary for the country's competitiveness and sustainable development.

Thus, the Government will continue with the following actions:

- Implement the Information and Communication Technologies Policy;
- Develop and implement the legal framework to support the use of Information and Communication Technologies by proposing to the National Parliament, in particular, the adoption of legislation on cybercrime and the management, access and protection of electronic personal databases;
- Train the newly created Institute of Information and Communication Technologies, which will have the mission of managing the Government's and other public entities' information networks with a view to modernizing the State and improving the functioning and provision of services by public institutions;
- Strengthen institutions, infrastructures and human resources capacities in this sector;
- Implement a strategy of administrative modernization, developing the added value of Electronic Government, including the establishment of connectivity and internet access platforms in all State and Government institutions;
- Provide training actions in Information and Communication Technologies for all leaders, administrators, directors and public officials;

- Create the necessary infrastructures for widespread Internet access throughout the country, including in rural areas, through the creation of Internet Spaces or Information and Communication Technology Centers;
- Continue to carry out information and communication technology camps throughout the country;
- Promote content creation, adapted to local circumstances and needs;
- Promote and facilitate women's access to new Information and Communication Technologies;
- Promote scientific research, innovation and competitiveness by making use of information and communication technologies;
- Create partnerships, with the national and international private sector, to develop Information and Communication Technologies as a useful tool for acquiring, producing and disseminating knowledge;
- Continue to offer free training in the information technology sector, from the user's perspective, graphic design and the use of new information technologies for research and research and business creation.

## 2.8 Media

The Constitution of the Republic guarantees freedom of the press and other media, including the journalist's freedom of expression and creation, access to sources of information, editorial freedom, protection of independence and professional secrecy and the right to create newspapers, publications and other means of dissemination. The State must ensure the freedom and independence of public media bodies in the face of political power and economic power and ensure the non-monopolization of the media.

It is also incumbent upon the State to ensure the existence of a public radio and television service, which must be impartial so that, among other objectives, it protects and disseminates the culture and traditions of East Timor, as well as guarantee the expression of pluralism of opinion.

The Government will:

- Support and strengthen the Timor-Leste News Agency, TATOLI;
- Support and strengthen the Press Council, as an independent body regulating the media sector;
- Continue to support programs for the dissemination of government action, promoting public awareness of government action and ensuring greater governance transparency;

- Continue to support RTTL, E.P. including the improvement of physical infrastructures and the upgrading of technical equipment, and the implementation of a Company Strategic Plan, to improve the quality and quantity of the information shared;
- Propose to the National Parliament the approval of legislation to regulate the audiovisual communication sector in Timor-Leste;
- Establish the Institute for the Training of Journalists and continue to focus on the training of journalists for the development and diversification of the sector;
- Develop mechanisms for intersectoral cooperation, which promote the correct use of official languages by journalists;
- Develop mechanisms for intersectoral cooperation to promote and disseminate the official languages to the entire population;
- Support the Council of Community Radios and the establishment of new community radio stations;
- Support the National Journalists Associations;
- Encourage women's participation and access to the media;
- Increase gender perspective in the media and encourage campaigns and programs that promote the use of official languages, national identity, citizenship education, the role of women in society, and technical and scientific knowledge;
- Promote the diversification of media, also at the municipal level.

## **2.9 Religion**

According to the Constitution of Timor-Leste, every person is guaranteed freedom of conscience, religion and worship, and religious confessions are separated from the State. No one shall be persecuted or discriminated against on the grounds of his or her religious beliefs and the freedom of education to any religion shall be guaranteed within the framework of their religious confession.

The Government will continue to support and collaborate with different institutions and religious denominations, encouraging initiatives that promote the moral and ethical values of society, as well as the promotion of peace, family and social harmony and tolerance.

## **2.10 Civil Society**

Civil Society is a decisive part of the process of state-building, of the development and democratic consolidation of Timor-Leste.

The partnership between the Government and civil society organizations must be strengthened to ensure a more active and responsible participation in the implementation of the country's strategic agenda for development.

Supporting civil society in fulfilling its role is also an integral part of the Government's strategy to ensure good governance and to promote social inclusion. The building of a healthy Nation implies the development of an equally healthy and independent civil society.

The Government will therefore contribute to the improvement of the capacities, initiatives and actions of Civil Society, thus promoting tolerance, peace and human dignity and maintaining the State responsible for its actions and promoting alternative and progressive solutions for the Country.

- Develop a legal framework that enables civil society organizations to act in the economic, social and political life of the country, including the definition of priority areas for intervention;
- Conduct a study to assess the financial sustainability of the allocation of funds and tax incentives to civil society organizations, to assist the State in making sound decisions in this regard;
- Improve support for the implementation of civil society activities, including better coordination and dialogue with Government;
- Promote and stimulate cooperation between civil societies in various countries or groups of countries (in particular through the CPLP and ASEAN), with a view to exploring opportunities for economic, cultural, social, religious and political development as well as solidarity actions and for the defense of human rights;

## **2.11 Housing**

Everyone has the right, for himself and for his family, to a dwelling of adequate size, in conditions of hygiene and comfort, that preserves personal intimacy and family privacy.

To provide decent housing for our citizens, the Government will:

- Review the 2007 National Housing Policy and develop a National Housing Program, including sustainability issues, to ensure, in the long term, decent housing for all Timorese with access to safe drinking water and reservoirs, individual sanitation facilities (bathroom), kitchen, electricity and a level of comfort of the adequate to modern standards;
- Create regulations to establish minimum building requirements to ensure the construction of decent housing that promote a safe and healthy habitability;
- Review and reform the Millennium Development Goals Program (MDG Sucos - PED 2015);
- Create and implement a program to support the rehabilitation and construction of housing to improve the quality of habitability;
- Introduce modern techniques and building materials more appropriate to the culture, tradition and climate of Timor-Leste, involving the participation of local communities throughout the process;
- Study and implement a program to promote housing construction by private investors, in new areas, through Plans of Urbanization planned and endowed with all the infrastructures and duly approved;
- Ensure permanent monitoring of communities in relation to the way their homes accommodate livestock, training and sensitizing community leaders and heads of families to public health issues associated with living with these animals.

### **3. CONTINUING WITH INFRASTRUCTURE DEVELOPMENT**

“A central pillar of the Strategic Development Plan is the construction and maintenance of a range of productive infrastructures”.

Infrastructures are crucial to economic and social development, and the scale and costs associated with the implementation of an infrastructure network are a huge challenge to sustain productivity, job creation and private sector development at the national level.

For this reason, planning, budgeting, monitoring and evaluation are an essential part of this strategy. Thus, in the short term, the Government proposes to carry out a detailed survey of all infrastructures and projects underway, for reassessment, correction and restructuring of the infrastructures, combating the asymmetries and filling the many gaps still existing in terms of basic infrastructures in the country.

One of the Government's top priorities in relation to the infrastructure sector is to require greater professionalism from human resources and contractors in this sector, implementing an institutional reform that includes better planning, monitoring, inspection and inspection of projects and works in progress. Considering that to build a productive and modern economy, significant investment in large-scale infrastructures is necessary, quality construction and cost-benefit building must be ensured while projecting future investments in operation and maintenance and assessing available resources and future sustainability.

It is intended, with this infrastructure plan, to combat extreme poverty in the country.

It is in this context that, through the construction of basic infrastructures, we also want to:

- Create better health conditions, including the physical, mental and social well-being of citizens, including: facilitating access to primary, secondary and tertiary health care; improving the physical environment, including safe roads and bridges, and considering a balanced construction of infrastructures, minimizing the risk of pollution and environmental degradation, and investing in urban cleaning; facilitate and promote access to clean houses and conditions that are essential to public health; create basic sanitation and access to electricity 24 hours a day, throughout the country;
- Create better education conditions, through better and more access to education institutions, vocational training and cultural consumption. This also includes provision of water, sanitation, electricity and access to the internet and new information and communication technologies;
- Create the conditions for private investment and economic growth, because with the provision of better conditions for transport, communications and energy supply, it is possible to boost and diversify the economy. However, this should be planned in accordance with regional potentialities and with due consideration to the multiplier effects of other sectors to withdraw economic dividends for the whole population;
- Create employment conditions, facilitating mobility and access to job opportunities, but also the opportunities arising from economic growth and increased private investment in the country. However, infrastructure construction requires a great deal of quantity and variety of labor, thus creating an opportunity to improve qualifications and specializations through the negotiation of contracts between the Government and contractors for the construction of major infrastructure projects.

### 3.1 Infrastructure Sector Governance

It is proposed to carry out a detailed survey, updating all existing basic infrastructures and ongoing infrastructural projects, for revaluation, correction and restructuring of the infrastructure plan, ensuring quality and cost-effective construction thereof, and designing future required investments in terms of operation and maintenance and assessing available resources and future sustainability.

To this end, the Government also proposes, in more specific terms:

- Rationally and sustainably invest oil fund revenues in modern and productive basic infrastructures, strategically coordinating their planning with the development of other development sectors and policies;
- Improve the management of the Infrastructure Fund, established in 2011, to continue to implement the large-scale, multi-annual projects with priority given to projects that promote the country's socio-economic development and thus contribute to the fight against poverty and improving the quality of life of its citizens. The Infrastructure Fund will continue to fund, in addition to basic infrastructure projects, public buildings and projects in the areas of education, youth and sport, health, defense and security, social housing and others such as financial systems and support infrastructures;
- Strengthen and enable the National Procurement Commission to increase the effectiveness, efficiency and transparency of infrastructure-related procurement processes, including support functions for all ministerial lines in procurement processes throughout the national territory;
- Strengthen and enable the National Development Agency to enhance the effectiveness, efficiency, and transparency of infrastructure processes and proposals, including prior oversight and project planning, as well as its implementation, monitoring, oversight and evaluation management functions;
- Ensure the efficiency, effectiveness and transparency of the infrastructure and major projects investment system, including procurement processes, contract management and payment system;
- Strengthen the systems for monitoring, inspection, oversight and evaluation of infrastructure projects and large projects, both in terms of physical and financial realization;



- Establish a partnership between the Ministry of Public Works and the National University of Timor Lorosa'e to strengthen the means of controlling the quality of infrastructure construction;
- Continue to evaluate and certify construction companies and civil technical consulting;
- Develop and update standards and criteria for building basic infrastructures;
- Continue to supervise, monitor and evaluate the quality of materials used in the construction of infrastructure projects;
- Develop studies and quality analysis to enhance the use of local raw materials, as well as the use of other goods and materials, to reduce imports and to fuel the growth of the infrastructure sector;
- Increase the capacity of the Timorese labor force at national, municipal and rural levels;
- Ensure, in future contracts, a greater participation of Timorese workers, including better working conditions, training opportunities and work placements;
- Encourage the participation of the national private sector in the development of infrastructures;
- Strengthen bilateral cooperation with other countries for cooperation in public works infrastructure.

### **3.2 Road Network**

The Government will continue to implement the infrastructure plan for the country's road network, including the construction, rehabilitation and maintenance of national, municipal and rural roads, according to international quality and safety criteria.

In this context, we highlight the following main actions and goals:

- Rehabilitate all rural roads, using local companies (PED 2015 - 1270 km), implementing the Rural Roads Development Program and the Master Plan and Strategic Investment for Rural Roads;
- Rehabilitate all national, regional and urban roads (in the district capital), according to international standards (PED 2022);
- Carry out annual road condition monitoring studies on all rehabilitated roads to determine maintenance needs (PED 2015);

- Finalize the plan for the national bypass (PED 2015), having already begun construction of the I Phase of the Suai-Zumalai motorway, ending soon. The Government will have to review the detailed drawing from stage II to stage IV, before launching the public procurement tender;
- Conduct studies to monitor existing bridges in the country and ensure their rehabilitation and maintenance, as well as the construction of new bridges in the country's neuralgic areas;
- Conduct flood control monitoring studies and continue to ensure the construction of retention walls and gabions throughout the national territory;
- Completion of Dili-Manatuto-Baucau road connection according to international standards (PED 2015) - (This section is being built in 2 sections. Section 1, from Hera to Manatuto with current physical progress at 30.45% and Section 2, from Manatuto to Baucau and current physical progress at 39%);
- Completion of the road link Baucau-Lospalos-Com (PED 2015) - (The Baucau-Lautem connection is being implemented and current progress is 5.61%.) Lautém-Lospalos and Lautém-Com stretch is still in the phase of design verification);
- Finalize the Manatuto-Natarbora road connection according to international standards (PED 2015) - This connection is being rehabilitated in 2 sections. The 1<sup>st</sup> Manatuto section - Laclubar (crossing) currently reached the physical progress of 85% and the 2<sup>nd</sup> Section of Laclubar (crossing) - Natarbora currently has a physical progress of 55%, which is too slow);
- Finalize the road project Dili-Aileu-Maubisse-Aituto-Ainaro-Cassa (PED 2015) - (This project is divided into 5 sections. The 1<sup>st</sup> Section Dili (Halilaran) – Laulara is completed. The 2<sup>nd</sup> section Laulara – Solerema is the phase of bid procedure launch by CAN. The 3<sup>rd</sup> section Solerema – Bandudato has its rehabilitation completed. The 4<sup>th</sup> Section of Bandudato - Aituto has a physical progress of 67.36% and the 5<sup>th</sup> Section of Bandudato - Aituto has a physical progression of 67.36%. The Ainaro - Cassa Section is still divided in two, and the 1<sup>st</sup> Section is the construction of a new Alternative Road to the existing road due to the precipice "Jakarta 2". This section is still in the rehabilitation phase and has a physical progress of 60%);
- Completing the Suai-Beaço road project (PED 2015) This project is divided into 4 Sections. The 1<sup>st</sup> Section, Suai-Zumalai (Fatukai), achieved a physical progress of 80%. For the other Sections, revisions of the detailed drawings, including the soil survey, should be made. In the South Coast area, the existing road network from the Salele to Zumalai border (Harekain) and the Zumalai-Bobonaro section are being rehabilitated;
- Completion of the Suai-Cassa-Hatu Udo-Betano-Natarbora-Viqueque-Beaço Rehabilitation Project (PED 2022) - It will be necessary to rehabilitate this road network;
- Complete the construction of the roads: 1 - Maliana-Cailaco-Hatolia-Ermera; 2 - Tutuala-Valu; 3 – Com-Fuiloro Crossing; 4 - Metinaro-Laclo Crossing; 5 - Manatuto-Laclo; 6 - Tilomar-Fatumean Crossing; 7 - Ainaro-Bobonaro; 8 - Baucau-Venilale-Ossu-Viqueque (public tender phase); 9 -

Aituto-Hatubulico- Letefoho-Gleno (feasibility study and detailed drawing phase);

- Prepare drawings and studies for the construction of roads: 1 - Iliomar-Uato Carbau; 2 - Uato Carbau-Uato Lari-Viqueque; 3 - Viqueque-Lacluta; 4 - Dilor-Natarbora-Betano-Same; 5 - Manatuto-Laclo; 6 - Aileu-Liquidoe; 7 - Remexio Crossing-Remexio; 8 - Suai-Fatululik; 9 - Lospalos-Lore-Iliomar; 10 - Lolotoe Crossing - Lolotoe; 11 - Ainaro-Hatu Udo, among others

### **3.3 Water & Sanitation**

Clear investment in access to safe drinking water and basic sanitation is urgently needed. The absence of these infrastructures seriously affects the public health and quality of life of populations, promoting the spread of diseases, mortality and poor development of children.

Investing in water and sanitation is investing in health, education, the environment and economic growth, improving employment opportunities and productivity in the country. Strategic investment in these areas is essential for economic growth and the well-being of the population.

In this context, the Government recognizes that there has been no substantial investment in this sector to date, and views investment in basic sanitation as a priority, also as a sustainable way of combating poverty.

The Government's objectives in this area are:

- Provide generalized, secure and sustainable access to water supply, whether for the private consumption of all citizens, or for agriculture, commerce and industry;
- Improve indicators in the areas of health, education, social and economic development through the provision of access to drinking water and basic sanitation throughout the country;
- Ensure that all Timorese have access to improved basic sanitation throughout the country through a self-sufficient and quality sewer system, including the construction of treatment centers, and providing access to public health facilities in the capital and in the municipalities;
- Ensure quality drainage systems in Dili and in all municipalities;
- Invest in the rehabilitation, improvement and extension of irrigation systems, especially in rural areas, in close coordination with the agriculture sector, to ensure food self-sufficiency and fight against malnutrition in the country;
- Ensure the technical training of Timorese in the water and sanitation sector and the institutional capacity of entities and bodies that manage, implement, monitor and oversee the sector;

- Create mechanisms for resilience to climate change and prevent their possible effects on water and sanitation infrastructures.

To achieve these objectives, the Government will develop the following actions and achieve the following goals:

- Ensure that 75% of the rural population of Timor-Leste has access to reliable and sustainable drinking water (MDP 2015);
- Ensure that all public schools will be linked to piped potable water (PED 2020);
- Create intersectoral coordination mechanisms to develop a strategic and consistent water management plan;
- Approve and implement the Investment Plan, Policies and Institutional Reform 2018-2030, to comply with the goals defined in the Strategic Development Plan and the 6th Sustainable Development Objective (ODS). This plan will identify the necessary investments for water supply and sanitation throughout the country, as well as the necessary legislation for the sector, as well as the creation of a public entity, in the sphere of indirect state administration, such as a Public Institute or a Public company;
- Develop and implement additional studies, analyzes and investment plans to guide decision-making on the best options for investing in the water sector;
- Develop and implement additional studies, analysis and investment plans that guide the best sustainability options for the maintenance and operation of water supply systems;
- Approve the National Policy for the Management of Water Resources;
- Approve the National Policy for Water Supply;
- Approve the necessary legal framework for the implementation of water resources management and water supply policies;
- Implement the Dili Water Supply and Sanitation Supply Master Plan and other municipal capitals;
- Reform the institutional model of the sector, into a public sector with greater autonomy, efficiency and sustainability, for the implementation of the Government's strategy and for effective technical and economic regulation;

- Identify new water sources, including desalination, construction of reservoirs and water treatment facilities throughout the national territory and continue to expand the water supply network throughout the national territory;
- Review policy and projects related to irrigation systems, according to more modern techniques and methodologies, for the construction of more reliable and resilient irrigation systems in the face of climatic conditions, including groundwater irrigation systems;
- Ensure that all municipal urban areas have improved sanitation facilities (PED 2020);
- Connect all dwellings to existing sewage systems in Dili and, where this is not possible, ensure connection to septic tanks or access to communal toilets (PED 2020);
- Improve co-ordination with development partners in cooperation projects in the provision of water and sanitation supply and management in rural areas, to guarantee the necessary investments in rural communities;
- Approve and implement a Tariff Policy that includes differentiated tariffs for different consumers, both private and commercial and industrial;
- Develop appropriate infrastructures, including operation and maintenance systems, for the collection, treatment and disposal of sewage (PED 2020);
- Improve monitoring and control systems for the collection and treatment of waste water from public, commercial, industrial, social and residential facilities;
- Implement existing legislation and regulations and develop integrated systems for solid urban waste management;
- Implement the Dili Sanitation and Drainage Master Plan;
- Improve drainage systems in all municipalities, ensuring the construction of rainwater drainage systems (PED 2020);
- Increase professional training and institutional capacity building projects for the development of water and sanitation infrastructures, including maintenance and operation of the systems, in intersectoral coordination with relevant governmental entities;
- Ensure the development of mechanisms for monitoring, prevention and action on climate change, with a view to minimizing their effects on water and sanitation infrastructures, in intersectoral coordination with relevant government entities.

### **3.4 Energy**

Access to a regular and reliable supply of electricity is a basic right and the foundation for Timor-Leste's economic growth. In this regard, continuing to invest in this sector is crucial to improving the quality of life of Timorese and to supporting the growth of industry, trade and tourism, contributing to economic and social development in rural and urban areas.

The Government therefore intends to continue to focus on updating and improving electricity transmission and distribution systems, while investing in the expansion of renewable energy systems.

#### **3.4.1 Electricity Supply**

The Government will prioritize the following actions and goals:

- Ensure that all people have access to electricity 24 hours a day, both by expanding the National Electrification Program and using renewable energy sources (PED 2015) - In all municipal capitals and in the Administrative Posts, the population has access to electricity 24 hours a day. Of the 452 sucos, 76% of them already have access to electricity and 64% of the total villages have access to electricity. Regarding Atauro, a feasibility study has yet to be carried out to implement a sustainable electrification plan for the island.
- Analyze the situation in rural areas, especially in the most remote areas, and develop a concrete rural electrification plan, including connecting small local area networks to the national grid or offering renewable energy sources;
- Review the National Electrification Program, making use of it to improve the production and distribution of electricity throughout the country and to continue the installation and maintenance of the medium and low voltage lines;
- Reorganize the electricity sector and implement a new plan for the country;
- Restructure Electricity to provide better service and better supervision, aiming at greater efficiency in both operational and economic terms;
- Approve and implement a Tariff Policy that includes differentiated tariffs for different consumers, both private and commercial and industrial.

### **3.4.2 Natural Gas**

Timor-Leste has access to vast gas reserves in the Timor Sea. The availability of natural gas to produce electricity has the potential to offer cheaper and cleaner fuel compared to liquid fuels. In environmental terms, for the same amount of electricity produced, the carbon emissions of electricity produced from natural gas are considerably lower than the electricity produced from diesel.

Following the signing of the Timor-Leste-Australia Treaty on Maritime Borders in the Timor Sea, the Government will begin negotiations with the oil companies on the development of the Greater Sunrise field and seek to ensure the construction of gas processing facilities on the south coast of Timor-Leste. In this context, it will develop feasibility and sustainability studies on the use of natural gas to produce electricity, making efforts to use energy that is less costly and considers environmental issues.

### **3.4.3 Renewable Energies**

Renewable energy sources can contribute to economic growth and to reduce poverty levels in remote rural areas. In addition, they contribute to a less polluted environment and to mitigate the impacts of climate change, in complying with the commitments made at international conventions.

In this context, studies will be resumed for the implementation of renewable and non-polluting energy production projects, such as:

- Hydroelectric Energy: produced by using watercourses, according to feasibility studies on the potential of hydroelectric projects;
- Wind Energy: according to the preliminary studies already carried out, especially in mountainous regions, where there is potential to install wind turbines, such as the wind farms of Lariguto and Bobonaro;
- Solar energy: continue to develop studies and promote initiatives that use the favorable climate of Timor-Leste and the daily sunlight rates for the installation of solar energy production systems;
- Biomass energy: increase studies and projects to produce energy through plants, agricultural residues and animal waste, as well as household and industrial waste, which can be converted into biomass and converted into electricity.

For this, the Government will recommend the following actions:

- Establish a Renewable Natural Resources Office to coordinate actions at intersectoral level, to carry out feasibility studies and analysis relevant to this sector and to be responsible for the implementation of renewable energy projects, including management, monitoring and evaluation (in part, already included in the objectives of the PED);
- Continue to invest in the rural electrification program, through technical and financial support to communities, for the production and use of renewable energy sources,
- Ensure that half of the electricity needs are generated through renewable energy sources (PED 2020);
- Resume feasibility studies on the potential of building Mini-Hydros throughout the country;
- Build the Lariguto and Bobonaro plants as a model of wind development (PED 2015);
- Ensure that at least about 100,000 households have access to solar energy systems (PED 2020);
- Develop the potential of solar energy through the Dili Solar Center (PED 2015);
- Develop a feasibility study for the construction of a thermoelectric power station to generate energy from domestic and industrial waste in Dili (PED 2015).

### **3.5 Transport**

Creating conditions for economic growth and improving and increasing the circulation of people and goods, is fundamental to implementing the vision contained in the Strategic Development Plan 2011-2030.

As such, it is imperative to improve the land, sea and air transport systems and to put in place a weather forecasting system which, among other things, offers safety, particularly about air traffic. Thus, the Government will review the situation regarding the transport sector, approve the Integrated Master Transport Plan, improve the institutional capacity of the sector and train and capacitate the necessary human resources.

It will continue to produce the necessary legislation and implement the existing legal framework, in an integrated way, to ensure transport safety and ensure intersectoral coordination.



The public transport safety system will be improved by implementing a structure for recording, analyzing and reporting transport-related activities that could cause injury, death, loss or property damage. The structure will, among others, investigate transportation accidents and provide transport safety recommendations.

### **3.5.1 Land Transport**

The Government will continue to promote the development of public and private land transport, including the development of infrastructures and support facilities. This includes adequate road signs and the guarantee of their compliance, in a way that is feasible throughout the country.

For urban areas, traffic management measures will be updated to respond to certain situations. Traffic technologies, such as the use of innovative transport systems (e.g., modern signaling intersections for traffic monitoring), will be deployed to better manage traffic and promote passenger safety. The Government will endeavor to develop, approve and implement a national road safety and prevention policy.

The comfort and safety of public transport passengers will be improved. A high-quality public transport system will be introduced in appropriate ways so that passengers have access to a more comfortable, efficient and safe public transport network.

Also, in this area, and with a view to improving public transport services available, the Government will make efforts to expand and modernize support facilities such as terminals and various services provided to the public.

It will also seek to ensure continuous monitoring of active operators, encouraging the improvement of their services and compliance with applicable legislation, which should be subject to a review process with a view to its improvement.

### **3.5.2 Maritime Transport**

The development of port infrastructures is essential to enable Timor-Leste to import essential goods and equipment, with a view to strengthening and diversifying the national economy.

Investment in the country's port system will continue to follow the development of the Port of Tibar. Operational efficiency and regional port facilities will be improved, including the development of new regional ports, to ensure that maritime transport remains a viable option for the transportation of people and cargo, and to generate economic gains, especially for fishing communities.

In this sense, the Government will:

- Build a supply base in Suai;
- Improve the port facilities of Com and Ataúro;
- Build a port facility in Kairabela, Vemasse, to facilitate access to the sea and support the tourism sector;
- Implement the Public Private Partnership for the construction of the Port of Tibar, which will be decisive for the development of trade and industry in the country;
- Ensure the operation of the Port of Tibar, as the main port facility in the country;
- Study feasibility for the construction of the port of Manatuto and for the creation of a national sea line to facilitate cabotage transport and coastal connection, as well as to provide maritime transport services for people and goods at various points along the coast of the country;
- Restructure and modernize the Port of Dili, for its conversion into a City Marina and Cruise Port;
- Strengthen the regulator and maritime authority, including improving and modernizing its regulatory standard

### **3.5.3 Air Transport**

Air transport is the key service for transporting people and goods to and from our country. Its safety plays a crucial role in the development of our tourism, business and commerce industry. To allow for more reliable air service between Timor-Leste and regional and international destinations, efforts will be made to create the conditions for more scheduled flights with more flight destination options.

To meet the growing number of passengers, the planned improvements at Presidente Nicolau Lobato Airport will be implemented.

Investing in air transport is fundamental to respond to future air traffic demand, coupled with the country's economic growth.

To this end, the Government will:

- Implement the National Civil Aviation Policy;
- Reform the Administration of Airports and Air Navigation of Timor-Leste (ANATL) as the operator of Timor-Leste airports, including the development of an analysis of capacity-building options in contracting and management;
- Increase the capacity of the Civil Aviation Authority of Timor-Leste (AACTL) to effectively regulate the air transport sector;
- Develop the Master Plan of the Presidente Nicolau Lobato International Airport in Dili and complete its expansion, including the runway and ensure the necessary conditions for Presidente Nicolau Lobato International Airport to be an airport with modern standards and with the capacity to accommodate about one million passengers a year;
- Develop the Master Plan of Baucau Airport, including rehabilitation of the runway;
- Develop feasibility studies for municipal airports, in conjunction with the Executive Plans of international airports, with the objective of completing a fully operational municipal airport network, including Suai, Baucau, Oe-Cusse Ambeno, Lospalos, Maliana, Viqueque, Same and Ataúro;
- Operationalize Suai Airport;

### **3.6 Meteorology**

Continue to develop a meteorological system to support the needs in the areas of: Civil Aviation, shipping, agriculture and other public services.

The Government will commission a study to assess the possibility of establishing a meteorological laboratory and assess the human resources needs, draw up an investment study and consider establishing bilateral cooperation mechanisms to produce this data and create conditions to make weather information available to the public.

### 3.7 Telecommunications

Information and Communication Technology (ICT) is a vital tool for enabling the digital economy, as a new sector of economic growth, and for promoting good governance. The Government will ensure that the country has a reliable, quality and safe telecommunications network that is crucial for the socio-economic development of the Timorese population.

The country's ICT infrastructure has improved significantly following the introduction of a competitive telecommunications market in 2012. Mobile service coverage (2G network) has reached 96% of population areas, and access to 3G data services is now available in all municipalities with the 4G network recently launched in urban centers. Having achieved mobile services, the new challenges are to develop broadband networks and services.

The Government will continue its efforts to create a modern telecommunications network that connects people to each other in Timor-Leste and between Timor-Leste and the world, taking full advantage of advances in global telecommunications including production, diffusion and use of knowledge.

The Government therefore has as its actions and goals:

- Implement a reliable fiber-optic submarine cable system that connects Timor-Leste to a cable landing facility in the region that allows the country to acquire capacity and competitive transmission lines for connection to a global IP distribution center;
- Formulate and implement the necessary plans, such as a national broadband plan, a national cyber security plan, e-government plan, digital economy infrastructure plan and digital terrestrial television migration plan (DTTB), to provide general direction of policy and guide all infrastructure deployment and development interventions;
- Create a cyber security structure and critical infrastructure. This Authority will function as the National Agency for oversight of cybersecurity strategy, operations and capacity development, as well as oversee the policy, project and program of critical infrastructure development;
- To accelerate capacity building in the areas of science and engineering required to drive new economic growth, the government will strengthen the TLREN (TLREN) Network, including the broadband application dedicated to TLREN's submarine cable system to benefit the research and higher education institutions in the country;

- Strengthen and capacitate the National Communications Authority (ANC), including improving and modernizing its regulatory framework to better respond to technological advances and changes in the market scenario, considering the convergence of technologies;
- Promote the development of a carrier-neutral Internet Exchange (IP) facility for operators to ensure fast and secure data transmission between Internet service providers (ISPs) in the country;
- Ensure reliable, secure and accessible mobile phone coverage for all Timorese, including in rural areas;
- Strengthen the capacity of Computer Security Incident Response Teams (TL-CSIRT) to guarantee access to a secure internet, accessible throughout the national territory;
- Promote the internet connection of the entire national education system and of all national health systems, as priority sectors;
- Establish e-government services to upgrade government networks.

### **3.8 Postal Service**

The postal service is a public service of great importance that allows the sending of correspondence, books, publications and other types of parcels in the national territory, at relatively affordable prices, as well as dispatch correspondence and other goods abroad.

The Government in this sector proposes to:

- Reform and develop Timor-Leste Post Office for more efficient, fast and affordable services, while considering the creation of municipal poles in liaison with central services;
- Introduce innovative systems in the post office of Timor-Leste to allow the delivery of orders up to the level of administrative posts throughout the country;
- Develop a Postal Service Development Plan, including its municipal expansion.

#### **4. CONTINUING WITH ECONOMIC DEVELOPMENT**

"Timor-Leste is a low-income country with an emerging private sector, with limited economic diversification and concentrated mainly on agricultural production. However, our country has considerable economic opportunities and a strong potential to become a middle-income nation."

Although much progress has been made in this sector, Timor-Leste must continue to invest in strategic planning for a modern and diversified economy. Empowering the productive sectors around three essential industries - agriculture, tourism and oil - through the study and use of existing natural resources, taking advantage of the added value of geographical location and population profile, is a simple and successful strategy to lead to much-needed economic diversification and to mitigate dependence on oil revenues.

Job creation and the promotion of entrepreneurship are both a factor and an outcome in the pursuit of this economic development goal, and the Government must create conditions so that it is not alienated from the young, while promoting the private sector, resources which are key to increasing national productivity and creating opportunities for sustainable economic growth. To this end, the Government will introduce legal and political mechanisms to stimulate creativity, innovation and diversification of the national economy.

The Government of Timor-Leste will aim to: transform its natural wealth, whether from its soil or its seas, into food security, health, productivity and job creation opportunities. It will also transform hydrocarbons into development and welfare opportunities for the whole population through infrastructure development, the private sector and job creation. But it will also transform the wealth of its people, its natural landscape and its unique culture in entrepreneurship and increased incomes throughout the country.

To this end, it is essential to develop a National Planning Framework, with a view to the implementation of Development Poles in the various regions of the country, which defines the characteristics of each region and the growth potential of each sector and sub-sector, considering local resources available, for the implementation of actions and strategies for sustainable growth and equitable development throughout the country, under the motto that "if nature is rich, people cannot be poor".

## **4.1 Agriculture, Livestock, Fisheries & Forestry**

The development of the primary sector is essential in a country where about 75% of the population lives in rural areas and where poverty levels are still high, with all the other weaknesses associated with poverty.

The Government therefore considers agriculture as the basis for economic and social development in the country. The improvement of this sector, coupled with the improvement of the fisheries and livestock sector, results in a short-term improvement in the quality and well-being of all East Timorese. Thus, the Government's goal is to improve national food security, reduce rural poverty, support the transition from subsistence culture to enterprise production of agricultural, livestock and fisheries products, promote environmental sustainability and the conservation of the natural resources of Timor-Leste.

### **4.1.1 Agriculture**

To meet the goal of food security, the Government will expand the agricultural sector, improve farming practices and agricultural productivity, develop actions to improve the production of specific and systematic agricultural crops, according to the potential of each region, while also ensuring the goal of developing the nation's productive sectors.

The goals and actions for this area are:

- Invest in the creation of a Public Agricultural Research Laboratory, to develop research programs for all the main agricultural products of Timor-Leste. As a priority it will focus on those that offer the greatest potential, and which include support for the technical aspects of agricultural production, which guarantees and identifies, through analysis, the types and qualities of soils, water, plants and seeds, to achieve competitive modernity;
- Establish an Agricultural Research and Development Institute, made up of agronomists and technicians, that research, execute and supervise, throughout the territory, the strategies of implementation of production systems with farmers;
- Establish a mechanism to support the transition from subsistence agriculture to modern, market-oriented agriculture;
- Improve the management of Agricultural Technical Schools (ETA) in the country, (Lautém, Manatuto, Bobonaro and Oe-Cusse Ambeno);

- Implement new programs of organic farming, aiming at its commercialization at the international level, through marketing campaigns;
- Implement the National Food Security Policy;
- Rehabilitate, expand and improve the management of irrigation systems and the storage of water, essential for agricultural cultivation, by reviewing the inventory of existing irrigation systems;
- Improve the management of tractor maintenance centers to ensure they are operational, so they can be used to support farmers;
- Map agro-ecological zones for the sustainable use of agricultural machines and equipment with reference to the physical structure of the soil;
- Continue to invest in the acquisition and maintenance of agricultural machinery and equipment to support farmers;
- Improve the agricultural extension service and the management of the farm tractor program to support farmers;
- Continue to implement the Agricultural Mechanization system to support extension, intensification and diversification programs to increase agricultural production and productivity;
- Order studies on the development of dams in Timor-Leste and implement pilot projects for the use of dam and groundwater;
- Improve management and maintenance of soils for cultivation, strengthen training for farmers and agricultural enterprises;
- Ensure that Timor-Leste can reach 70% in terms of rice production by 2023, further improving rice production techniques and systems;
- Create conditions to increase the area of irrigated rice fields, to reach 50,000 hectares in 2023;
- Strengthen the services of statistics, information and agro-climatic forecasting;
- Strengthen facilities in the quarantine services to implement the protocol, standard, database for SPS (sanitary and phytosanitary), to facilitate the import and export of agricultural products;
- Continue to promote the use of specific rice production systems, integrated crop management and rice intensification systems;
- Continue efforts to reduce production losses, through pest control, and post-harvest, by improving harvest, milling and storage management systems for rice, maize, other cereals and products;
- Continue to subsidize rice, maize and other commodity producers for the purchase of seeds, fertilizers and pesticides to increase productivity, as well as to support the improvement of the efficiency of the post-harvesting processes of their products;



- Provide financial advice and assistance to their producers in the marketing of rice, maize, other cereals and other products;
- Ensure the maize area reaches 76,500 hectares by 2023 or increase the average yield of maize to 2.5 tons per hectare;
- Increase to more than double the area cultivated with roots and tubers, going from 48,000 hectares to 80,000 hectares in 2023, and increasing to 105,500 hectares by 2030;
- Continue to invest in research, development and dissemination for specific crop varieties in East Timor, such as cereals (rice, maize, wheat, barley and rye), cassava, sweet potato and green beans;
- Introduce agricultural areas to identify the most suitable areas for the cultivation and marketing of maize and other staple foods, such as cassava, green beans, sweet potatoes and various cereals;
- Train maize and other cereal and other staple foods producers in the use of agricultural machinery and agricultural management techniques, continuing to distribute manual tractors and support their use;
- Integrate agricultural activities with family businesses, such as the processing of agricultural products or the use of agricultural residues for organic fertilizers and feed;
- Develop and extend special support programs for corn, 'sorghum', roots and tubers in rural communities;
- Develop and promote livestock feed systems based on surplus maize, roots and tubers;
- Invest in the production of fruit and vegetables to replace imports, at least up to 50% by 2023 (PED defined 2020), by encouraging the supply of high value fruits to urban markets;
- Support the large-scale production of vegetables, strategically located near the urban centers, promoting protocols of supply to markets, restaurants and hotels;
- Develop research and investment studies to assess the potential for developing hydroponics (technique of growing plants without soil) in the country, through a pilot project that allows for the immediate production of organic vegetables;
- Create more incentives and continue to support farmers to produce cash crops, such as coffee, coconut, vanilla, cashew, soybeans, peanuts, pepper, saffron, ginger, cinnamon, paprika and nutmeg, among others, including processing and processing into household products, with a view to creating new markets;
- Survey the quantity and quality of warehouses available for storage of cereals and other agricultural granular products, including beans, fava beans, peas and soybeans;
- Strengthen inter-ministerial coordination and the coordination with other relevant institutions in relation to the implementation and control of services in the agricultural sector.

- Gauge and invest with priority in cash crops with the highest potential to be promoted on a commercial scale;

#### **4.1.1.1 Coffee Culture**

- Continue to support the production and promotion of high-quality organic coffee, including through the promotion of Timor coffee at national and international levels;
- Improve coffee production through the rehabilitation of coffee plantations;
- Continue to develop adaptive coffee research studies and programs;
- Continue to support the Timor-Leste Coffee Association (ACTL) and, in partnership with the private sector and development partners, continue to implement the Coffee Sector Development Plan;
- Create a National Policy and Strategy for the Development of Coffee;
- Create new programs to promote domestic industries, to process crop residues, especially coffee, in organic fertilizers and feed, and residues of coconut plantations in materials and household goods

#### **4.1.2 Livestock**

The livestock sector in the country has great potential to contribute to the improvement of nutrition of the Timorese people, both through access and consumption of fresh meat and dairy products.

To improve this sector, it is necessary to invest in affordable and quality rations and to ensure the vaccination and deworming of the animals. Currently, surpluses and residues from agricultural production are not enough to create a domestic animal feed processing industry, which means that if there are improvements in agriculture, such as increased cultivation, or if there are sources of protein available through fish waste, there may be substantial improvement in the area of livestock.

The Government intends to increase animal production by 20% by 2023, in order to reduce imports of animal products from abroad. The goals and actions to achieve for livestock development are:

- Continue to invest in animal vaccination campaigns and the provision of free vaccines and expand these programs nationwide;
- Implement an animal disease control management system;
- Continue to invest in the acquisition and maintenance of machinery and equipment for livestock and production veterinary services to support livestock farmers;
- Continue national dissemination campaigns on basic animal health care and improvement of animal nutrition;
- Invest in the education and training of this sector, for the establishment of veterinary clinics with specialized professionals, while also continuing to develop the Centers for Livestock Development and Training;
- Establish the necessary public veterinary care infrastructures, involving animal producers;
- Establish an Animal Production Research Center to assess which species, for example livestock, are best suited to the conditions of East Timor, improve genetic quality, selective breeding techniques and contribute to improving other production parameters, such as mortality rates, birth rates and daily live weight gains;
- Support the establishment of an Association of Livestock Breeders, facilitating their establishment and respective policies and initiatives;
- Support the establishment of certified abattoirs throughout the country, as well as their slaughter and distribution services for butchers and other private, technical and technological capacity, in addition to the National Slaughterhouse of Tibar;
- Develop special poultry and pig production systems;
- Promote the creation of small livestock support businesses, including refrigeration infrastructures, sorting, processing and packaging of meat, with a view to developing a safe and quality livestock industry;
- Conduct demonstration campaigns to process animal waste into organic fertilizers;
- Promote access to financial institutions and cooperation with investors;
- Ensure the establishment of partnerships with the private sector, national and international, for the growth of this sector in the country;
- Increase the processing and export of livestock products (such as the creation of buffaloes for milk and cheese production);

- Creation of decentralized services to support local producers, with a view to clarifying doubts, socializing veterinary campaigns (vaccination, diseases, techniques, etc.) and controlling the population of each species;
- Continue to develop pasture and animal feed formulation;
- Continue to invest in the traditional and semi-intensive and intensive livestock breeding system, and in the training of technicians and farmers.

#### **4.1.3 Fisheries**

Timor-Leste has more than 700 km of shoreline and an 72,000 km<sup>2</sup> Exclusive Economic Zone, which represents access to maritime resources with a great exploration potential in the fishing sector, with only two municipalities, Aileu and Ermera, with no access to the coast.

Equally, aquaculture activities, such as algae extraction and the creation of shrimp, abalone, crabs and oysters, can also be developed along the coast, which will contribute to the creation of income for coastal communities.

It is, however, important to develop strategies in this sector, considering the different resources available and possible forms of exploration, as:

- i) The sea to the north of Timor-Leste has as its main features a small coastal platform, associated with the presence of corals with high temperatures, the depletion of nutrients due to the weak water supply along the streams and the absence of maritime resurgence, which also means which has a low recruitment of commercial species, low phytoplankton production, due to the reduced level of oxygen and high temperature, and also the significant reduction of the maternity areas, mangroves.
- ii) The sea to the south of Timor-Leste, with greater wave intensity and more exposure to winds and without the protection of multiple Indonesian islands, has a greater nutrient intake, either through the streams or through resurgence phenomena that, due to a more extensive continental shelf, allows the conservation in the zone of exposure to light, of the nutrients capable of allowing the primary production of Phytoplankton

Timor-Leste, although insular, does not have a long tradition of fishing. This is often justified by the cultural and ancestral tradition, but also because of the surrounding environment: weak exploitation capacity of the northern sea and the danger of fishing with native resources in the southern sea. On the other hand, studies point to the fact that despite an increase in recent years of the fishing effort, in particular the number of active fishermen and the number of vessels, total catches do not increase in proportion to the increase in fishing effort, which may mean that the country may deplete the capacity

of the environment, or, have little capacity for growth, without damaging the environment. There is, therefore, the need to study and implement approximation strategies that increase fish production in a sustainable way.

In this context, the Government will:

- Review the existing studies on the fisheries sector to identify priority actions and strategies for sector growth, assessing overcoming current constraints and actions to increase fisheries in the future (apparently studies have been developed in the field of international cooperation in coordination with the "Coral Triangle Partnership" and the "Analyzes of the Current Situation and Potential for Agriculture Development in TL" of the National Directorate of Fisheries and Aquaculture);
- Regulate and control fisheries, including minimum mesh size, nets, protected species and other ways to protect species and avoid catches of animals before they can reproduce and thus break natural restocking. Legislation will also be strengthened to reduce illegal fishing, especially for foreign vessels and for the definition of surveillance zones;
- Promote campaigns with fishermen and their communities on fishing techniques that have less risk of depletion of fish production capacity and the surrounding environment;
- Promote the consumption of fish in the country, in a sustainable way, through campaigns to raise awareness of its nutritional value, aiming to increase its consumption to 10kg/person/year;
- Invest in the training of human resources in fisheries and aquaculture to support technical services at sea and in aquaculture;
- Invest in offshore fishing with a focus on future exports, continue to develop fishing centers along the coast, and access to better boats, equipment and training;
  - Create a fish conservation network for the full use of the fish caught, while allowing an increase in the catch effort and, as such, ensuring its sale;
- Establish links to markets and exports, including through transport systems and refrigeration centers, between fishing zones and points of sale and export;
- Establish demonstration centers on the use of electronic fisheries control systems and the cutting, processing, transportation and storage of fishery products;
- Develop alternative processes of fish conservation, such as salting, smoking or drying;
- Articulate with other relevant government entities to ensure the preservation of fish and other marine environments, including setting suitable sites for commercial fishing;
- Establish a Timor-Leste Marine Research and Development Center;

- Operate the aquaculture training center of Liquiçá, initiating the training of fish technicians, fishermen, fish farmers and young people;
- Continue to invest in the development of basic infrastructures, such as ports, berths and berths;
- Develop additional studies and research for production in aquaculture, for domestic consumption and for export;
- Develop different types of aquaculture activities, in fresh, brackish and salty water;
- Ensure at least 3 types of aquaculture activities to support coastal activities;
- Prepare studies for the establishment of an indirect state administration entity for fisheries and aquaculture, such as the National Institute of Fisheries and Aquaculture, which may also be a source of promotion and motivation for private investment;
- Establish a fish export market for fishery and aquaculture products;
- Creation of a fish market, with refrigeration equipment, through which the State can enforce quality and food safety criteria, as well as the reasonableness of the prices practiced, providing the sector with the monitoring and organization that it does not yet have. This would be a factor of confidence among private consumers and the restaurant and catering sector;
- Review existing commercial licenses and define the exploration of marine resources in the medium and long term to ensure and guarantee the country's economy;
- Continue to invest in acquisition and maintenance of fishing and aquaculture machinery and equipment;

#### **4.1.4 Forestry Production**

Sustainable forest management of Timor-Leste's forest resources is critical for families and communities that rely on this resource for food, fuel and income generation, as well as for farmers, who must consider the deforestation effect of erosion, landslides and water harvesting. Without it there will be no agricultural production. (TRANSLATOR NOTE: There were several errors in the highlighted previous two original paragraphs. Translator interpreted perceived intended meaning. Please check the translation to ensure adequate meaning was given in the translated sentences).

Timor-Leste has already lost its native forest, such as teak, mahogany, and sandalwood, which has damaged wildlife and deplete the food source. Therefore, it is urgent for the Government to act consistently in protecting the national forest areas, which represent about 50% of the country's land area, so that this sector is economically profitable but also sustainable

The Government is committed to the following actions:

- Continue to implement the Forest Conservation Plans, already approved in 2012, to promote sustainable practices for reforestation and agroforestry throughout the territory, including mapping and inventorying of forest species;
- Continue implementing legal frameworks, including the Forestry Law, already enacted in 2017, on the management and protection of forest resources;
- Implement Forest Investment Plans, including identification of potential markets and comparative advantages of Timor-Leste on high-value forest products;
- Develop and train the Timor-Leste Agriculture Research and Development Institute to strengthen investment and research in all agricultural sub-sectors, including forest products;
- Continue to develop permanent nursery centers and community nurseries to support the community with seedlings (of Sandalwood, Cedar-Red, Teak, Mahogany, Rosewood/Ai-Na'a, Bamboo, etc.). developed to supply raw materials for small furniture manufacturing industries and carpentry;
- Plant 1 million trees, annually, throughout the territory;
- Continue to implement the Bamboo Marketing Policy and Strategy;
- Continue to invest in the production and marketing of bamboo, which in addition to versatile and profitable uses, also contributes to curbing/preventing erosion or landslides and damage to the soil;
- Promote technical and administrative training for forestry professionals;
- Continue to strengthen intersectoral coordination, especially in the management of natural resources in a sustainable way and promote the National System of Protected Areas and National Parks and Biodiversity Conservation.
- Rehabilitate mangrove areas on Timor-Leste's coastlines to protect communities and coastal biodiversity;
- Promote the management of river basin areas through a natural resource management system based on community needs;
- Continue to invest in the acquisition and maintenance of machinery and equipment for forest management.

## 4.2 Oil & Mineral Resources

One of the pillars of Timor-Leste's future economic development is the oil and mineral resources sector, which will ensure that the wealth of natural resources will be used to build the Nation and provide progress and well-being for all Timorese people.

The national vision contained in the Strategic Development Plan (2011-2030) is that the necessary infrastructure for oil development must be implemented on the southern coast of the country and that it serves to generate direct economic dividends for the entire population, either through activities of the oil industry and the creation of related jobs, or through the development of support infrastructures on the south coast of Timor-Leste.

This development, called the Tasi Mane Project, is a multi-annual program aimed at creating three industrial hubs, considered the backbone of the Timorese oil industry.

In the short-term, and to achieve this vision, the Government will continue to engage in negotiations with the companies involved in the Greater Sunrise process, to implement the special regime for the Greater Sunrise Fields established in the Treaty for the delimitation of maritime borders between Timor-Leste and Australia, which was signed in March 2018.

The Tasi Mane project will contribute not only to the development of the South Coast in general, but also to the oil industry, in particular and it will also cover a wide range of direct and indirect economic impacts at the national, regional and local level, by providing economic benefits derived from the exploration of Timor-Leste's natural resources.

This project will increase national Gross Domestic Product (GDP) and export earnings, while creating employment opportunities during the construction and operation of related infrastructures, as well as acting as a catalyst for the development of the South Coast. It is expected that up to 10,000 direct jobs are generated from the Tasi Mane project and that more than 50,000 indirect jobs can be created, with the transformation of the oil sector, from the current stage of pure extraction to a more advanced stage of industrialization and creation of added value.

In addition, the Tasi Mane Project will generate indirect benefits, influencing a greater economic performance of the country, because of the dynamization of other industrial sectors. The investment made by the project participants, as well as by the workers, Government and private beneficiaries, will produce "multiplier effects" as the economic activities associated with the project will have an impact on the economy in general, resulting mainly from the acquisition of additional goods and services, both by the workers and by the companies, directly or indirectly, involved in the project.



Investment in productive physical assets (such as power plants, roads and airports) and social assets (such as the construction of new urban and educational centers, improved education and health services) may also benefit the economy, by maximizing the productivity of economic factors. One of the project's significant impacts is the opportunities it will provide to local businesses. These opportunities include subcontracting services such as catering, engineering, security, fuel delivery, management services, professionals and technicians.

TIMOR GAP will continue to be mandated by the Government to manage and administer the Tasi Mane project. This Public Company will support the creation of support industries, and the development of human resources necessary for an efficient operationalization of the petroleum sector. It is expected that the construction of these basic infrastructures will boost and encourage commercial investments in other projects and areas, incorporated in the impact area of Tasi Mane. This reality will transform the character of Timor-Leste's current petroleum sector from its simply extractive dimension, allowing it to evolve into a more value-added, more industrial and diversified petroleum sector, including the development of a refinery and a petrochemical industry hub plant in Betano, as well as the Liquefied Natural Gas (LNG) plant.

The Government of Timor-Leste, as proponent and promoter of the integrated Tasi Mane project, will participate in the financing of some of these projects, as well as the basic infrastructure, such as the airport and the logistics base of Suai. The remaining Tasi Mane projects will be built and developed on a project finance basis and through other forms of private investment or mixed investment. In this sense, the Government will continue to develop studies and investment plans, considering all the necessary context to carry out this project, including studies of environmental impact, to minimize the negative impacts on the natural and human environment.

**Tasi Mane Project consists of the following development poles:**

#### **4.2.1. Development of a Logistics Base in Suai**

A logistics base will be built and operationalized in Suai, located in Camanasa, Covalima Municipality, which incorporates the construction of logistics and maritime facilities. This base will serve to support all oil activities, conducted in the Timor-Leste Exclusive Area and adjacent areas in the Timor Sea, as well as other general economic, commercial and industrial activities.

The Suai Logistics Base will also serve as an entry point to support management of the supply chain of the activities of the other two industrial groups, namely the refinery and the petrochemical complex and LNG plant.

This logistics base will also cover:

- Land facilities - operations buildings, covered warehouses, mini land bases, fuel storage facilities, water storage tanks, waste management system, parking areas, recreational and community facilities, among others;
- Marine facilities - three berths specifically the main berth, a barge berth and a ramp for landing craft supported by a tugboat berthing station, berth for passenger vessels and a breakwater which will provide a shelter for the waves, creating a quiet, safe and protected port for installations;

This project will have a huge social impact as it will be a platform for new job opportunities, generating hundreds of jobs, supporting national economic development, and potentially improving the skills of local labor in areas such as steel manufacturing, civil construction, maritime construction, mechanical and electrical engineering, among others. Other non-oil industries, such as commercial fishing, are also expected to benefit from offshore installations.

Environmental impact studies and public consultations on this project were carried out and the environmental license was granted in 2013 and subsequently renewed in 2015.

#### **4.2.2 Development of a Petroleum Refinery and a Petrochemical Complex**

The second development pole of the Tasi Mane Project consists of the Petroleum Refinery and the Betano Petrochemical Complex, located on the coast of the Manufahi municipality. These facilities are intended to convert the condensate, transported to the site from the Timor Sea fields, into a variety of fuels and other refined petroleum products. The project is expected to make Timor-Leste self-sufficient in the supply of unleaded and diesel fuel, with scope to meet a future increase in domestic demand.

The refinery complex has an area of approximately 230 hectares. The main refinery facility consists of the processing unit and support units, such as utility units, waste treatment unit, raw material reservoirs and petroleum products, fire-fighting water and landfill for the management of solid waste. The complex will have support facilities, such as warehouses, operations building, administration building, laboratory, firefighting and security office and cafeteria. Water intended for refinery operations will be piped to the site from a water source 10 km from the refinery.

The initial stage of the development phase will establish a refinery for fuel production, not only for

domestic consumption (diesel, gasoline, LPG and Nafta), but also for export. The pole of the refinery in Betano will be implemented through a commercial partnership, in which TIMOR GAP will play the role of main driver for the development of the project.

Feasibility studies for this project have already been developed, as well as environmental impact studies, and public consultations have also been held. At this time, the environmental license is expected, allowing the start of the project.

#### **4.2.3 Development of a Liquefied Natural Gas Plant**

The Government remains committed to developing gas from the Greater Sunrise field by constructing a submerged gas pipeline to the south coast of East Timor and building and operating a Liquefied Natural Gas (LNG) plant to process it.

This unit will incorporate the LNG plant complex, including associated marine facilities, as well as new urban areas. The existing Viqueque airport will be rehabilitated to provide fly-in-fly-out (FIFO) capacity for workers at the service of LNG operators, while also serving as a regional airport.

#### **4.2.4 Development of the Southern Coastal Zone**

The infrastructures necessary to support the oil industry will be built and / or operationalized, linking the three oil clusters or hubs. This will include:

- New cities, to house workers in the sector and to relocate residents;
- A motorway with the purpose of connecting the three clusters or hubs and supporting the growth of the oil industry along the south coast, allowing for economic development and the improvement of people's lives. This motorway includes the construction of more than a dozen major bridges;
- A multifunctional port in Suai to support the logistics base;
- An airport in Suai, which has already been completed, for safe operation of light aircraft and helicopters to support oil activities. The airport will improve passenger and freight transport, including a terminal with customs and immigration facilities, a fire station and a heliport with ambulance service facilities.

In this sector, the Government will also:

- Continue to train professional and technical staff and award scholarships to specialized areas related to the petroleum sector;
- Continue to train the communities in the municipalities that will be most directly involved in the Tasi Mane project;
- Develop a mechanism for the use of natural gas in the country's economic activities;
- Establish the national mining company Murak-Rai Timor-Leste S.A., which will ensure the interests of the State in the exploration of mineral resources in the country;
- Increase study, research and continuous promotional activities within the country and abroad, to maximize investment in both the oil and mining sectors;
- Ensure compliance with the Extractive Industries Transparency Initiative (EITI), continuing to submit the required reports;
- Ensure synergies and international cooperation within the energy resources sector;
- Continue oil and gas research and development in Timor-Leste's land and sea areas through TIMOR GAP and its partners, or other interested investors;
- Ensure that revenues from the exploitation of oil and natural gas contribute to the country's industrialization and the development of other national economic activities, and increase exports;
- Develop additional legislation and regulations aimed at the efficient and transparent management of all activities related to the exploration of petroleum and mineral resources in Timor-Leste, including:
  - (a) Review of the Petroleum Activities Law and other complementary legislation;
  - (b) Approval of the Mining Code and the model contract for conducting mining operations and complementary legislation and regulations;
  - (c) Approve and implement the necessary legislation to ensure the implementation of the provisions of the Maritime Boundary Treaty between Timor-Leste and Australia, regarding the transition from oil fields of the former Joint Petroleum Development Area to the exclusive jurisdiction of Timor-Leste.
  - (d) The establishment of a Mineral Fund to ensure a better management of revenues collected from mineral activities in the country.

### 4.3 Tourism

Tourism is an important engine for the development of economic activities and contributes to safeguarding the natural and cultural heritage of Timor-Leste.

With unparalleled natural beauty, rich history and unique cultural heritage, Timor-Leste has all the conditions to develop an original tourism industry that involves its people and creates diversified businesses and employment opportunities.

The Government will, in a planned and organized way, develop a strategy for tourism in the region, without intending to compete with mass tourism in Southeast Asia, but maybe creating synergies with other localities in the region such as Flores, Moluccas and Kupang, to create and develop tourist packages that attract visitors from Indonesia, Australia and other Asian and Pacific countries.

There may also be investment in tourism based on common historical and cultural ties, including the common denominator of the Portuguese language, promoting initiatives within the CPLP countries. However, and considering the strategic position where Timor-Leste, near ASEAN and Australia, it is also important to strengthen the secular historical and cultural relations that unite the Luso-Asian peoples present in the region, namely in Malacca, Sri Lanka, Macao, Bangkok, Goa, among others. The Government will therefore focus on the promotion of innovative initiatives, making Timor-Leste a cultural center and meeting point among these peoples, including hosting in Timor-Leste of the 2nd Conference of Luso-Asian Communities.

Timorese Tourism can count on the following competitive advantages:

- i) It is one of the few Catholic countries in the region, practicing Catholic rituals that can serve as an attraction for Catholic tourists in the region;
- ii) It is a country with a unique and recent history, with several symbolic places to visit;
- iii) It has great potential to develop mountain tourism and to provide sports and adventure activities that attract an important sector of tourists;
- iv) It has a long coastline and beautiful beaches rich in biodiversity, with great potential for the development of sports, adventure and marine activities, including snorkeling and diving;
- v) It is one of the countries included in the Coral Triangle Initiative, which aims to protect the abundance and diversity of marine life in Timor-Leste waters, with special attention to the area around the island of Ataúro, now recognized as the world's most biodiverse underwater ecosystem;
- vi) Contains a unique and expanding gastronomy, with fusion of several other gastronomic traditions;
- vii) It maintains ancestral communities, still in a natural context, that can be visited and studied, both in the tourist, anthropological and academic perspective, which may also contribute to the consolidation of the national identity, reflected in the proposals and tourism products presented;
- viii) It's still unexplored landscape and the natural and well-preserved conditions of the environment are an important catalyst for the development of community and ecological tourism;
- ix) It is in the process of obtaining full membership of ASEAN, which will increase its promotion efforts in nearby markets;
  
- x) It is still located in a strategic position, a tropical destination in the Asia region, the most populous

- in the world;
- xi) Finally, Timor-Leste has one of the lowest crime rates in the world.

Thus, in a global market looking for new and authentic tourist offers, Timor-Leste can position itself with great competitiveness, especially in the region, based on the difference. It is necessary, however, to develop an effective strategy of tourist attraction, where promotion and marketing will be fundamental to affirm this competitiveness.

For the moment, as an initial approach, it is possible to invest in promoting the following types of tourism:

- Community and Ecological Tourism;
- Adventure tourism (including mountaineering, diving and snorkeling and other extreme sports);
- Religious Tourism;
- Historical and Cultural Tourism;
- Ethnographic Tourism;
- Leisure & Beach Tourism.

In this regard, the Government proposes to reach the following targets and to implement the following actions:

- Increase the number of tourists in the country to an estimated 450,000 tourists per year, the maximum sustainable potential, thus increasing domestic revenues;
  - Implement the National Tourism Policy to ensure the effective, efficient and sustainable growth of the tourism sector;
  - Finalize and implement a detailed action plan with specific measures and actions to promote tourism development;
  - Implement the legal regime for Gambling, and creation of the specific legal regime for Casinos;
  - Create the Dili Marina, through the implementation of the "Marina Square" project in Bidau Lecidere and the Dili Maritime Front project, making this seafront a pleasant, leisurely and fun place for the entire population and for the tourists who visit us;
  - Rehabilitate Dili's seafront, between the Avenida de Portugal (Avenida dos Coqueiros) and the new Dili marina,
  - Cooperate with the Ministry of State Administration and the Ministry of Public Works in the requalification of gardens and green spaces in the population centers;
  - Continue to improve and implement legislation and regulations relating to the tourism sector;
- 
- Continue to invest in basic infrastructures (airports, ports, roads, telecommunications, etc.) and tourism infrastructures (hotels, restaurants, cultural and recreational facilities);
  - Reform the conditions and services provided at Dili International Airport, ensuring that tourists

are welcomed with professional and quality services, thus improving "first impressions" at the entrance to the country;

- Establish the Center for Training in Tourism and Hospitality in Dili (PED);
- Recognize the Tais Market, in the center of Dili, as one of the main and most visited sights of the city, dignifying the space and valuing the work of its merchants, involving them in the projection of a welcoming and integrated building prepared for the nature of its function, with the necessary support equipment, such as coffee shop and a museological area to showcase Tais manufacturing;
- Continue to ensure technical training in tourism throughout the country, oriented to the various types and activities (religious tourism, community and ecological tourism, adventure tourism, etc.);
- Improve tourist signage and promotional materials throughout the country to attract and guide tourists;
- Build and streamline Crocodile Management Parks, enhancing beach safety while preserving the species and promoting the tourist attraction of an animal that is a formal symbolic representation of Timorese identity;
- Continue to develop comprehensive tourism packages according to the Eastern, Central and Western Tourist Zones;
- Encourage permanent interministerial dialogue, since Tourism is dependent on a set of conditions in terms of safety, health, public works, environment, sport, culture, among others, which combine to promote the country and the way visitors are welcomed;
- Improve intersectoral coordination for the development of areas related to the promotion of the tourism sector;
- Improve coordination and strengthen partnerships with the private sector for the development of infrastructures and tourism offers;
- Expand the Tourist Information Centers, in all Municipalities (PED 2015);
- Extend the Community Tourism Program to all Municipalities;
- Review, improve and streamline the website [www.timorleste.tl](http://www.timorleste.tl) and the promotional materials on Timor-Leste and ensure its maximum dissemination in the region and throughout the world;
- Continue to carry out feasibility studies and implement historical tourism projects, including the training of specialist tour guides;
- Continue to implement annual, national and international tourist events, such as the Carnival parade, the Darwin-Dili race, the Tour de Timor and the Artistic Caravan and Festival of Traditional Music and Dance and Gastronomy Festival;
- Reinforce intersectoral coordination mechanisms for the promotion and development of the tourism sector;

## 4.4 Trade

A The formulation of trade policies will allow the primary and secondary sector products to be sold at national and international levels, and the increase in product exports generates wealth for the industry

and, consequently, its growth.

The Government will continue to implement measures to regulate commercial activities and approve policies for expanding markets, including the dissemination of products of economic added value, through marketing and public relations strategies that promote Timor-Leste and its products in the region and the world.

In this context, the Government will:



- Strengthen the role of the private commercial sector;
- Strengthen the National Logistics Center;
- Review and expand the construction projects of goods transit warehouses in the border area;
- Build quality municipal markets;
- Develop mechanisms for promotion, dissemination, marketing and physical distribution of national products;
- Finalize the accession process as a full member of the World Trade Organization;
- Build shopping centers that will support regional development zones, according to the National Planning Framework;
- Invest in the training and capacity building of the private sector, to improve national and international competitiveness;
- Increase inspection and verification of commercial activities;
- Strengthen the capacity of the Food, Sanitary and Economic Activity Inspection Authority (AIFAESA) to control quality, transport and health conditions of food and production and marketing sites, including the introduction of customer "complaint books" in commercial establishments, initially as a pilot project to make an adequate evaluation as to its application or non-application;
- Strengthen and capacitate the services of the Investment and Export Promotion Agency of Timor-Leste I.P (TradeInvest);
- Strengthen and capacitate the Business Registration and Verification Services (SERVE);
- Implement and improve the legal framework for commercial activities.

## 4.5 Industry

The vision of a Timor-Leste with a modern and diversified economy will depend, as mentioned above, on the investment made in the growth of three main industries: agriculture, tourism and oil, as the country has considerable advantages in these industries due to its natural resources, geographical location and economic profile.

However, Timor-Leste has all the conditions to develop other industries, which are subsidiaries of the development of the primary sectors of production.

Agribusiness, or the transformation of meats, dairy products, fish and agricultural products into biological by-products of excellence may give rise to reference brands with export potential for select and higher price markets.

Timor-Leste may also invest in the transformation of raw material for product packaging, furniture, civil construction, among others, multiplying the opportunities of transformation of the varied natural resources, aimed at local supply, reducing the need for importation, but also with a view to exporting original products and adding value.

With the development of the agricultural sector, there are conditions for a greater production of cereals, horticulture and livestock, both semi-intensive and extensive. If we associate this growth with the promotion of agribusiness, this can lead to the sustainable development of the country, as we foster the spontaneous development of commercial markets of proximity and possibly its distribution at the national level, optimizing endogenous resources and protecting the environment, by respecting the self-regeneration capacity of the ecosystem.

Through the planned growth of the industrial sector, the Government can promote the following objectives:

- Increase the supply of consumer goods, essential to the well-being of local communities;
- Create job opportunities;
- Boost and enhance the development of the primary sector: agriculture, fisheries, livestock and forests;
- Develop small and medium-sized enterprises using local human resources and materials;
- Increase the role of the private sector in rural development;
- Contribute to the reduction of imported goods by increasing the production of quality domestic goods;
- Preserve the environment by ensuring that industrial areas minimize harmful impacts on the environment and have water supply, solid waste collection and a suitable sewage system for industrial waste.

The Government will promote industry as one of the driving forces behind national economic development, leveraged in rural development, through the following main actions:

- Finalize the National Industrial Development Policy based on the National Planning Framework, determining the priorities of production against available resources, including the selection of priority products for domestic consumption and exports;
- Review the legal framework in the field of industrial property, industrial licensing, including issues related to the location of industrial units and parks, while ensuring environmental preservation;
- Continue the support and allocation of public concessions to small industries
- Support the installation of industrial production units, namely agro-industries and promote industrial incubator centers;
- Promote the creation and development of industrial parks, according to the National Planning Framework;

- Establishment of the Tibar Industrial Park (the Tibar Industrial Park feasibility study was carried out to ensure the storage of products for import/export as well as local products to replace imported products);
- Implement an industrial property registry;
- Provide technical and financial support to strengthen the establishment of micro, small and medium-sized enterprises and industries;
- Develop business and technical training for micro, small and medium-sized enterprises and industries;
- Introduce new technologies in the primary and secondary sectors, with a view to agroindustry development;
- Develop campaigns with farmers and agricultural producers, with a view to the transition from primary activities to industrial activities, ensuring their involvement and motivation;
- Develop partnerships with the private sector, national and international, for cooperation in this sector, also for the transfer of scientific and technical knowledge;
- Coordinate with the relevant governmental entities, namely the Ministry of Education, for the introduction of curricula for agro-industrial production, namely at Technical-Vocational Secondary Education level;
- Continue to invest in small industrial projects producing salt, coconut oil and soap, spices and bottled water, among others;
- Operate, strengthen and expand the plastic recycling industry in Timor-Leste;
- Strengthen the production and implementation of legislation that considers environmental protection in the context of industrial sector growth.

## 4.6 Private Sector

According to the 2015 Census, about 51.24% of the population is under the age of 20. This means that, in the next 5 to 10 years, hundreds of thousands of young people will enter the labor market, with the legitimate aspiration of creating their own way of life in a dignified way, in a just economy that values their work. With this in mind, the private sector, regardless of its vocation and dimension, is and will continue to be one of the main drivers of the national economy, guaranteeing the creation of employment and, as such, constituting one of the major factors to combat poverty and improve the social capital of nation.

A private, healthy, sustained and strictly accountable economy will provide the country with much of its fiscal revenue, which will be instrumental in sustaining the state's overall budget and help solve the main social problems of Timor-Leste.

Diversifying the economy is therefore one of the main goals of this Government. It is necessary to create the fiscal and bureaucratic conditions that allow a greater predisposition to the national and international investor to invest in the country. On the other hand, all the transversal policies that include the development of social capital, the development of infrastructure and the development of the governance sector, are inseparable as a boost to economic development and to create conditions for entrepreneurship.

Equally, in this sector, the development of the National Planning Framework, with a view to the creation of Development Poles and Special Economic Zones, will be fundamental to create "business areas" or "industrial zones" in the Country, according to the specificities and potentialities of each region, and, from there, be able to attract the private sector and create jobs in a sustainable way:

- Improve national entrepreneurship policies, including entrepreneurship enhancement and education, remove barriers and support entrepreneurship, including access to information and know-how;
- Create a Center for Support to Entrepreneurship, to provide support services and support to new businesses;
- Develop studies to provide incentives to the private sector, to support the creation and growth of small enterprises;
- Develop studies and reform the legal framework of the financial sector (repeal UNTAET laws still in force, prevent financial abuses, etc.);
- Prepare investment studies and business plans for the establishment of a Timor-Leste Investment Bank, as a strategic partner of the State in the promotion of public investments, which will also increase entrepreneurship and, consequently, the emergence of national and international companies;

- Conduct studies for the regulation of insurance and promote the development of this sector, with a view to the creation of national insurers;
- Strengthen the institutions responsible for producing rigorous national statistics to inform the private sector, nationally and internationally;
- Update the "Investor's Guide" every two years;
- Expand and strengthen the capacities of the Business Development Support Institute (IADE);
- Expand and strengthen the capabilities of SERVE and TradeInvest and ensure services provided are updated and improved, including through its websites ([www.serve.gov.tl](http://www.serve.gov.tl) and [www.investtimor-leste.com](http://www.investtimor-leste.com));
- Continue to strengthen TradeInvest, which has promoted major investments in private sector development, for example through large projects such as "Heineken", "TL Cement" and "Pelikan Paradise". These large investments contribute to Timor-Leste's major goal of creating more jobs for the East Timorese, increasing family incomes and state revenues.
- Promote the creation and development of cooperatives, especially in rural areas, which will form an integral part of the rural economy development package, to enable entrepreneurship and encourage small enterprises in productive sectors, especially in the sectors of agriculture, fisheries and livestock production, creating a favorable environment for the creation of cooperatives and supporting the expansion of existing cooperatives in a sustainable way;
- Encourage and support the creation of micro and medium enterprises, with a special focus on the development of rural areas, through training programs, access to credit and market creation;
- Strengthen the institutions responsible for producing rigorous national statistics to inform the private sector, nationally and internationally;
- Continue to develop the "Business Incubator" program allowing access to business financing, according to the criteria and priorities defined by the Government;
- Review and implement the Economic Reform and Development Guide, which aims to facilitate private investment, promote economic diversification and create sustainable jobs;
- Ensure continuous and reinforced investment in vocational training, transversal to all strategic activities of the country, to develop a national portfolio of qualified professionals that support private initiative;
- Continue to develop and participate in international initiatives, events and conferences to promote strategic partnerships between East Timorese companies and international companies;
- Improve communication and strategic partnerships between the public sector and the private sector for better alignment of priorities and for the private sector to be a better strategic partner of the Government;
- Continue to capitalize on the National Bank of Commerce of Timor-Leste;
- Continue to cooperate with the Timor-Leste Chamber of Commerce and Industry;

- Continue to invest in TIA-GT (Timor-Leste, Indonesia & Australia Growth Triangle) and support the establishment of the sub regional integrated economic development platform and formalize a strategy for this growth triangle, which will enhance investment private partnerships in the country, through the synergies created between companies/industries, cooperatives and Chambers of Commerce and Industry of the three countries;
- Continue to review and produce new legislation that promotes the development of the private sector in an efficient, transparent and sustainable manner;
- Improve systems and procedures in a harmonized and simplified way, including the availability of readable forms and documents, and in various working languages, necessary for the business relationship between the State and investors;
- Produce a comprehensive guide with all the information and legislation relevant to private sector investment;
- Regulate and implement the new Migration and Asylum Law, to allow efficient and effective processing of visas, both for foreign investors and for workers;
- Regulate and implement the new Land and Property Law to enhance legal certainty regarding property and ensure investor confidence;
- Create conditions to enable and improve the commercial section of the Courts to ensure compliance with commercial contracts and to hear and resolve commercial disputes in an efficient, expeditious and fair manner.

## 4.7 Employment

As The structural changes that are to be implemented in the economy will provide job opportunities for the Timorese people. As the economy grows and it becomes possible to transform the agricultural sector and the private sector to achieve greater productivity, with investment in education and health building a more skilled workforce, the Timorese will be able to give a stronger contribution to the economy.

As the economy develops, the services sector tends to expand, and this increase corresponds to greater job creation opportunities, with a special focus on women. It is also expected that, by becoming economically stronger, the country will be able to reduce the number of precarious jobs. These include those who are self-employed, those who do not have a guaranteed monthly minimum wage, and those who carry out their duties with a low level of job security. The Government intends to reduce the level of precarious employment in Timor-Leste in the coming years.

Government policy for the employment sector is evident throughout its program as investments in the various development sectors will contribute to a healthier and more productive, educated and skilled workforce and to the diversification of national production, allowing for greater job creation opportunities to emerge.

The Government will:

- Review, approve and implement the 2017-2030 National Employment Strategy, which aims to increase labor market demand, improve labor market supply and continue to strengthen labor market institutions;
- Promote the creation of jobs for young people, adults and women, always ensuring the principle of equal opportunities, irrespective of gender;
- Create mechanisms to combat precarious work, including through monitoring companies and employers, as well as ensuring the implementation of labor regulations and social protection schemes;
- Expand the number of workers abroad, reinforcing cooperation protocols and improving the monitoring of these processes and accompanying workers;
- Establish an Employment and Vocational Guidance Center in each municipality (PED 2020);
- Regulate the Labor Law and strengthen mechanisms for dialogue to increase productivity;
- Improve mechanisms for resolving conflicts at work, including through mechanisms for mediation and conciliation;
- Increase the qualification of workers, especially younger workers, with the aim of increasing their competitiveness in the international labor market.

## 4.8 Cooperatives

Cooperatives, particularly agricultural cooperatives, are of strategic importance for national development. The formation of cooperatives is a way of encouraging private sector growth in rural areas and stimulating active participation in the national economic system.

The Government will continue to invest in training human resources and institutional capacity at the cooperative level and to provide tools and equipment, raw materials and cash grants to allow them to improve their infrastructures and increase product quality, with a view to include the expansion of markets and increase trade activities.

Increasing and socializing ideas and possible projects with families and communities can also be a way to create conditions for their development. Some of these may be:

- i) Honey production: Timor-Leste produces honey and wax that can be used for the development of cooperatives and consequently for the improvement of the family economy. An organized commitment to the production of honey, with the support of a cooperative, could be an important contribution to the family economy.
- ii) Bread production: investing in rainfed crops, especially for wheat and sorghum, as well as for barley and rye to produce flour and bread, can be an important strategy of direct benefit to families and communities. Supporting cereal production and grinding techniques and consequently baking cooperatives (or later industrialization) also with a view to their distribution in schools may, be a viable bet.
- iii) Dairy production: investment in livestock farming, particularly livestock raising, may encourage producers to convert milk from cows and buffaloes into milk and yoghurts and other derivatives, thus contributing to improved nutrition and family economy.

The Government in this area will continue to:

- Provide public support and concessions to cooperatives conducting private sector activities in various areas;
- Encourage cooperative, associative and mutual movements to ensure community participation and benefit the dynamics of the third sector in the fight against social and economic inequalities;
- Encourage organized civil society responses to social needs, through the concession of goods and the provision of services and the social use of the surplus obtained;
- Facilitate access to credit by cooperatives;
- Strengthen credit access systems for credit cooperatives, including streamlining processes;
- Promote exchanges between cooperatives;



- Encourage the supply of raw materials produced by cooperatives to industries in each sector, and for direct distribution/sale to consumers;
- Propose, build and/or rehabilitate local Storage Centers according to the existing demands and the production needs of the cooperatives;
- Encourage the supply of food and other goods, produced by cooperatives, for school meals;
- Coordinate with the National Logistics Center and the private sector for the acquisition of cooperative production;
- Promote cooperatives' strengthening, through technical training capable of making them more efficient.

## 4.9 Environment

According to the Constitution of the Republic, everyone has the right to a healthy, ecologically balanced human life environment and the duty to protect and improve it for the benefit of future generations. The State recognizes the need to preserve and enhance natural resources. The State must promote actions to defend the environment and safeguard the sustainable development of the economy.

The Timorese people have a strong connection to their surrounding environment, not only for questions of survival but also for cultural and anthropological reasons. However, in addition to the natural causes, such as rain, an unbalanced exploitation, or even environmental destruction, have been causing chronic soil erosion, including through excessive logging and the lack of planning and monitoring of agricultural activities or the construction of infrastructures.

Erosion and landslides cause soil degradation and damage to water absorption, decreasing the quantity and quality of groundwater and threatening wildlife and food resources. On the other hand, socioeconomic habits such as the use of firewood for cooking and air pollution caused by motor and motorized emissions as well as forest fires have contributed to an increase in respiratory diseases.

Climate change, with its impact on the rise in sea level and extreme weather conditions – which lead to floods, food insecurity, changes in chemical composition and in the temperatures of the ocean (affecting coral reefs) - constitutes a serious environmental challenge, to which Timor-Leste must respond, including by creating prevention mechanisms.

It should be noted that this is an additional challenge for Timor-Leste, considering its embryonic stage of development, and the necessary growth of industries to support economic development. However, it must be underlined that Timor-Leste's contribution to the climate change problem is miniscule, as Timor-Leste is one of the least emitting countries, in contrast with both other emerging or with developed nations.

It is also important to mention that the defense and conservation of the environment, including the

promotion of biodiversity, is an important contribution to the development of an industry with strong potential, the tourism sector.

In this sense, the Government will pursue the following priority environmental objectives:

- Review and strengthen an institutional and legal environmental framework for the sustainable use of natural resources, including better planning and monitoring of cross-country development sectors, which prevents environmental deterioration and enhances the country's environmental management;
- Promote campaigns on environmental issues and develop contents and actions that allow a generalized environmental education, focused on preserving the environment, for children, youth, adults and communities;
- Implement the National Land Management Plan, as well as its legislation, including studies and surveys of environmental assessment and impact, before the construction of large projects;
- Improve intersectoral coordination to include environmental concerns in the country's development programs, including agriculture and fisheries, infrastructure development, tourism and the exploration of energy resources;
- Train and improve the institutions and bodies responsible for management, monitoring and control of environmental issues, with priority given to localities and intervention areas that are at greater risk of environmental degradation;
- Strengthen national and international partnerships for better environmental management.

To this end, the Government proposes to carry out the following actions:

- Implement the legal regime for environmental management, protection and conservation, including approved strategies and action plans (such as national biodiversity legislation, protection of wildlife, etc.);
- Continue to monitor and endorse international agreements, programs and mechanisms related to environment management and conservation of the and climate change, including translation into national legislation and implementation of measures and standards adopted (reduction of HCFC emissions, the Vienna Convention on ozone and International Conventions such as UNFCCC, UNCCD, UNCBD, Paris Agreement, etc.);
- Continue the reforestation program for all degraded areas, especially the sloping areas around Dili and other priority areas;

- Implement 100% community nurseries in the next 5 years, with the planting of 1 million trees every year, throughout the country;
- Introduce new programs and campaigns to reduce forest fires and burns during the dry season, including the gradual replacement of the use of firewood as a source of energy;
- Conduct studies on the use of renewable energies and continue to implement pilot projects for renewable energies, using wind, solar, hydroelectric and other renewable sources;
- Produce a strategic document on renewable energy, in coordination with the entity responsible for the electricity sector, for the implementation of clean energy;
- Develop the waste collection and treatment program (solid and liquid) throughout the country, with priority given to the Dili area;
- Continue to ensure the implementation of the Healthy Suco Award and develop the "Habali Ambiente" for commercial, industrial and private entities which promote the 'polluter pays' principle, conservation of biodiversity, reduction of carbon emissions or other measures aimed at improving the environment;
- Develop and implement regulation for the control of air, noise and soil pollution and for control of pollution due to vehicle emissions;
- Continue to invest in human resources capacity in the environmental control sector, including the use of new methodologies and environmental testing;
- Establish an environmental laboratory to conduct environmental testing and its respective inspection, monitoring and evaluation;
- Produce environmental statistics on Timor-Leste and ensure its dissemination, both for executive decision-making and for wider public knowledge;
- Review the National Plan for Urban Planning and its legislation, prior to its approval, assessing environmental impacts;
- Implement the National Strategy for the mitigation of marine litter;
- Implement the National Biodiversity Strategy and Plan of Action;
- Work together with the CPLP in the commitment to develop the "CPLP Strategy for the Oceans", which is transversal to areas such as the environment and the economy;
- Continue to invest in an extensive network of national land and marine parks that protect representative samples of the country's biodiversity;
- Encourage greater knowledge about environmental protection and environmental principles in formal education curricula, as well as promote campaigns and actions through non-formal education;
- Continue to implement the "Green School" program that introduces the concept and practice of environmental sustainability, together with primary and secondary schools across the

country, as an extracurricular activity;

- Develop the National System of Protected Areas and National Parks and Biodiversity Conservation, including the approval of integrated and sustainable management plans, namely for the "Nino Konis Santana" National Park, the "Xanana Gusmão" National Park and the Botanical Garden "Francisco Xavier do Amaral";
- Develop coordination between the governmental entities with responsibility for the environmental sector for the tourism sector, with a view to create programs to protect specific ecosystems, namely turtles, corals, etc.;
- Implement the "Zero Plastic Policy" throughout the territory and develop effective programs to combat plastic, with a view to replace it whenever possible, including raising awareness of the harm of using plastic, especially for the degradation of the seas of Timor. Develop the plastic recycling industry.
- Promote a population control system for crocodiles to minimize threats and attacks;
- Continue identifying and collecting biodiversity data, including mapping the ecosystems of the different areas of terrestrial, marine, lake, wetland and other ecosystems at risk;
- Promote and reinforce good cultural practices that aim at environmental protection, nature conservation and protection of sites with relevant biodiversity heritage;

## **5. 4. CONTINUING WITH GOVERNMENTAL CONSOLIDATION**

"Timor-Leste is a low-income country with an emerging private sector, with limited economic diversification which is concentrated mainly on agricultural production. However, our country has considerable economic opportunities and a strong potential to become a middle-income nation."

Although much progress has been made in this area, Timor-Leste must continue to invest in strategic planning for a modern and diversified economy. To boost the productive sectors, around four essential industries - agriculture, tourism, oil and minerals and manufacturing - through the study and use of existing natural resources, taking advantage of the added value of the geographical location and population profile, is a simple and successful strategy to lead to much-needed economic diversification and to mitigate dependence on oil revenues.

Job creation and the promotion of entrepreneurship are both a factor and an outcome in the pursuit of this economic development goal, and the Government must create conditions so that it is not

alienated from the young, while promoting private sector partnerships, which are key to increasing national productivity and creating opportunities for sustainable economic growth.

The Government of Timor-Leste will, in this regard: transform its natural wealth, whether from its soil or its seas, into food security, health, productivity and job creation opportunities. It will also transform hydrocarbons into development and welfare opportunities for the whole population through infrastructure development, the private sector and job creation. But it will also transform the wealth of its people, its natural landscape and its unique culture in entrepreneurship and increased incomes throughout the country.

To this end, it is essential to develop a National Planning Framework, with a view to the implementation of Development Poles in the various regions of the country, which defines the characteristics of each region and the growth potential of each sector and sub-sector, according to available local resources, for the implementation of sustainable growth and equitable development actions and strategies throughout the country, under the motto that "if nature is rich, the people cannot be poor".

## **5.1 Macroeconomic Policy**

One of the goals of the VIII Government's macroeconomic policy is to create a working environment for all, particularly young people and the well-being of the entire population. Thus, the Government aims to create at least 60,000 new jobs and maintain the single-digit unemployment rate, reduce the minimum poverty rate to 10%, over the next five years.

To achieve these objectives, macroeconomic policy will focus above all on economic development with high, inclusive and sustainable growth, diversification of the economy through the development of productive sectors (agriculture, tourism, oil and minerals and manufacturing), promotion of private sector investment, to strengthen fiscal sustainability and advance the financial industry.

During the next five years, with the high contribution of the private sector in the productive sectors, the Government intends to achieve an average economic growth above 7%. The Government will create conditions to increase private sector investment by at least 10% each year to contribute to the diversification of the economy, increase the tax base, thereby achieving fiscal sustainability objectives, and contribute to inclusive and sustainable development.

The Government will first develop infrastructure, human resources and strengthen public institutions as a precondition for the implementation of macroeconomic policy implementation to achieve its objectives. As a precondition to stimulate the development of other sectors, the Government will continue to develop infrastructure to support economic growth and strengthen productivity and connectivity.

## **5.1 Financial Sector**

The financial industry in Timor-Leste is limited only to the banking sector and the financial market is still non-existent. The Financial Market facilitates the occurrence of money, through those that have more capital (surplus) to those who most need it, through direct and indirect mechanisms. A comprehensive and transparent Financial Market facilitates investment in the productive sectors and boosts economic growth. The Government will work with the relevant entities, namely the Central Bank of Timor-Leste (CBTL), to promote the development of the financial industry by creating a favorable environment, facilitating the commercial activities of the banking sector, insurance institutions, microfinance institutions and financial markets in Timor-Leste.

The financial industry development policy will contribute to the change in the structure of the economy, which depends largely on public sector driven economy, to a sustainable economy, supported by private sector driven economy.

In this context, the Government will also:

- Promote the creation of a general regime of secured guarantees on movable assets, as well as the registration of assets;
- Review Timor-Leste's financial sector legal regime and repeal outdated legislation that is still in force;
- Creation of a financial regime consistent with the current legal and institutional framework, avoiding abuse in the financial sector;
- Conduct studies to develop the insurance sector, essential to the development of private sector investment.

### **5.2.1 Development Bank of Timor-Leste (DBTL)**

Private sector development in Timor-Leste is not progressing to a large extent because it is limited to

state projects and does not have access to credit and long-term financing at affordable interest rates. Companies need credit to invest. Demand for credit is greater in Timor-Leste to refurbish hotels, to facilitate retailers in purchasing goods, which are varied and in large quantities, to facilitate construction companies in the acquisition of their equipment and in the construction of housing and office buildings. Although commercial banks give rise to an increase and liquidity in the banking system, credit to the private sector continues to be less than 14% of total assets. Existing banks only provide credit to international organizations and enterprises in their country of origin, and to sectors that rely heavily on government contracts and public investment.

The Government will implement the Development Bank of Timor-Leste (DBTL), with the aim of facilitating access to long-term financing with affordable interest rates. This Bank will provide an opportunity for Timorese companies to sustain themselves and create a great number of jobs, to build infrastructures and thus to contribute to economic diversification. This Bank will have its special focus in meet the demands for credit in the strategic areas of the Nation, related to the growth of the private sector and the development of the financial market. The State will be the "Owner" of the bank and will, in addition, have the contribution of Timorese capital. This bank will have clear and strict investment directives, independent administrative and commercial operations and the good governance standard will be high.

### **5.2.2 National Bank of Commerce of Timor-Leste (NBCTL)**

Access to credit continues to be a problem for small businesses and the Timorese people, including those living in rural areas. Lack of credit prevents small businesses from expanding, limiting the ability of the Timorese to set up businesses, thus creating a barrier to economic growth. The NBCTL must expand its service in the municipalities and administrative posts through the mobile bank. The Government will continue to support the NBCTL and its expansion to serve our population by providing banking and credit services, providing access to financial services to all Timorese, as well as micro, small and medium-sized enterprises, both in urban and rural areas. The Government will continue to support the Central Bank and Commercial Bank service with a view to facilitating a comprehensive banking system accessible to all citizens, including in such efforts as "Mobile Phone Banking" and "Financial Inclusion".

### **5.2.3 Micro and Credit Union**

Efforts to generate a sustained national economy in Timor-Leste go hand in hand with the incentives created around the creation of microenterprises or, even better, family businesses.

There are several established micro-credit institutions and credit unions that have already provided credit services to a large population. The Government will continue to help these institutions to expand

their services and facilitate better access to credit for the population, especially micro and small enterprises in rural areas.



#### **5.2.4 Monetary Policy - Currency Preparation**

Currency is a financial instrument that assumes an important role in the development of a country, particularly in the performance of the value of the currency that Timor-Leste uses against other currencies. The Government, through the Ministry of Finance, will work with the Central Bank of Timor-Leste (CBTL) to conduct in-depth studies and analyses on the advantages and disadvantages of using the dollar currency or using its own currency.

### **5.3 Public Finance**

Public finances are an important factor in the development process in Timor-Leste. As such, it will continue to improve and strengthen public finance management with transparency, accountability, efficiency and sustainability as one of the major programs that this government will implement during its mandate.

The Promotion of public finance management improvement will be done through "Public Finance Management Reform", strengthening management and expanding the implementation of Public-Private Partnerships, establishing good policy and management of public debt (loans), maintaining a good and prudent management of the Petroleum Fund and having sound management of the public funds, including the Social Security Fund.

#### **5.3.1 Public Finance Management Reform**

The Tax Reform recently implemented by the VI Constitutional Government will be replaced by "Tax and Public Finance Management Reform". This change will be introduced as the Government undertakes to comprehensively reform public finance to increase revenue for the state by strengthening and promoting transparency and [accountability](#) in fiscal policy and financial management.

Public finance management reform will be carried out through financial diversification into revenue and expenditure areas, improving procurement and strengthening financial decentralization and budgeting based on the program.

### **5.3.2 Tax Reform**

Through diversification of revenues, the Government aims to reach 18% of domestic revenues of the total "Gross Domestic Product (GDP)" in 2023 (setting the target to reach 15% by 2020). This is essential to be freed from our dependence on the Petroleum Fund's revenues. To achieve this objective, the Government will continue to improve the administration, human resources, system and infrastructure for the Customs Tax Authorities, review the Tax Law and introduce the law for "Value Added Tax (VAT).

On the other hand, the Government intends to increase revenues through greater efficiency and effectiveness in tax collection, while maintaining a neutral and competitive tax burden in the Region by identifying and regulating potential revenue and by improving the capabilities of the public institutions that have task of collecting tax (national and municipal).

One of the main objectives of revenue diversification will be to increase revenues and facilitate socio-economic development, investment and job creation. In this regard, this program is an integral part of the Government's program to develop and diversify the economy.

Ensuring the installation of the bodies, services and personnel of the Tax Authority and the Customs Authority, through their respective Setting-up Committees.

### **5.3.3 Efficiency and Effectiveness of Public Expenditure**

The Government, in this context, will ensure that public expenditures are carried out in an effective, efficient, transparent and responsive manner. In this sense, it will continue to strengthen financial decentralization to public institutions and regional and municipal authorities, strengthening the competences of public institutions, such as the National Development Agency (NDA), the Secretariat of Major Projects and the National Procurement Commission (NPC) in order to finalize, process and supervise the projects in a rigorous manner, update and apply the financial computer system and transparency to all public entities, including RAEOA and ZEESM, interconnecting the computer system used by the relevant institutions in the public sector with the system as well as updating and improving the Budget and Financial Management Law and Procurement Law, gradually transforming the state accounting system from a "cash basis system" to an "accrual basis system" and continue to implement the principle of "program budgeting".

Additionally, the regime of professionals in the management of public finances shall be implemented to strengthen human resources in finance, to ensure that public financial resources are managed in a rigorous manner to finance the process of construction of the State and the Nation.

#### **5.3.4 Program Budgeting**

Public expenditures will have a major impact, since the state budgets finance the activities already in place. In this context, the policy on "Program Budgeting" will continue to be implemented in all public institutions, from national level to the municipalities.

Thus, the Government shall implement this commitment as an element of the Public Finance Management Reform, since this Government intends to create a system of interconnection between budget and planning, which aims to define the objectives, targets and impacts of the public service to the populations, in the short, medium and long term.

#### **5.3.5 Procurement and Transparency in Public Finance**

One of the important elements of the Public Finance Management Reform is the public procurement process. Continuing to improve the capacity of public institutions and revising the Procurement Law as a commitment that shall be implemented in this mandate.

The Procurement Laws and rules shall be reviewed and updated to ensure the public procurement process at national, regional and municipal level, is carried out effectively, transparently, without discrimination, facilitating the development of the private sector, namely the private sector at a local level. This review is required to adjust procurement laws and rules by phases and in an evolving development process.

Additionally, the Government has the big commitment of continuing to promote transparency and accountability for public finances through the following actions:

- Continue to develop the electronic Public Finance Management and promote transparency through the Budget Transparency Portal, the Electronic Procurement Portal, the Aid Transparency Portal and the Government Results Portal;
- Establish coordination with the relevant entities, aiming at a regular audit of public expenditure;
- Continue to strengthen cooperation with the Court of Auditors to promote transparency and accountability of public expenditure;
- Strengthen the inspection bodies, in particular the Office of the Inspector General of the State, to increase and improve inspections and audits of public entities in a responsible and independent manner.

### **5.3.6 Loans**

The Government will continue to rigorously manage the money already borrowed and that to be borrowed in the future. The money, which will be borrowed from financial institutions and/or the financial market, will be used only to finance investment in the productive sectors, and will not exceed the government's ability to repay in the future. Thus, the policy of borrowing for cheap money (interest below 3%) will be continued to finance infrastructure projects with greater economic, financial and social returns, in order to stimulate development and facilitate the process of economic diversification. Considering the improvement of the capacity of relevant public institutions to supervise and ensure the quality of investment.

### **5.3.7 Public-Private Partnerships (PPPs)**

The PPP model shall continue to promote the process of diversification of expenditure to finance major investments. The Government will identify projects within the high-power sectors to create varied multiplicative effects, as well as negotiate with investors to implement partnerships for investment.

In this context, it must continue to improve the laws and rules, as well as the competences of the PPP Unit in the Ministry of Finance, to make a good investment management of the Port Tibar which is financed under PPP. As well as enabling the PPP Unit to identify strategic projects, negotiating with the private sector and managing the PPP portfolio rigorously.

### **5.3.8 Participation of the Public Sector in Private Investment (Equity**

### **Participation)**

Timor-Leste is considered one of the countries posing great risk for private investment, and for financial diversification (income and expenditure), to promote investment and job creation, the government will promote equity participation programs or participation in "shares" for private sector investment. Timor-Leste has a Petroleum Fund which is invested in the international market, with an average annual yield of 3%, thus, the Government buys shares in the private sector when the investment is made in Timor-Leste and the investment has a high financial and economic return.

With the aim of making this commitment feasible, the Government shall strengthen the capabilities of existing state enterprises to guide them to perform well to give the State financial and economic benefits, promoting the implementation of state enterprises and activities in the productive sectors, and create the "Timor-Leste Investment Corporation (TLIC) and capitalize state-owned companies, such as Timor-GAP, on a business plan basis.

The mechanism of financial diversification, based on "Equity Participation", is intended to be implemented by the government, as it will stimulate private sector investments, promote infrastructure development, and contribute to economic diversification and job creation, with a view to collecting revenue for the state.

#### **5.3.9 Timor-Leste Investment Corporation (TLIC)**

The Government shall create the TLIC with a view to acting as a state investment company. TLIC will be financed by the government so that it can make commercial investments that allow a great financial return or that allow multiplicative effects for the socioeconomic development. Priority will be given, first, to domestic investment in the country.

As a state-owned investment company, TLIC may also capitalize other public companies as part of its business activities. As a rule, TLIC investment decisions should be based on the commercial principle and objectives.

#### **5.3.10 Management of the Petroleum Fund**

The Government will thus continue to work, together with the National Parliament and the Central Bank of Timor-Leste, in order to maintain sound management of the Petroleum Fund as the only financial resource for Timor-Leste. This commitment will be reflected through government policy to maintain good governance with transparency, sustainability and prudent investment for the Petroleum Fund.

The "check and balance" system will be strengthened in order to ensure that the use of the Petroleum Fund to meet the needs of the State must always be authorized by the National Parliament. On the other hand, the Petroleum Fund will continue to be invested with rigor and prudence in the financial market (bonds and shares) since the law directs there is a higher return.

In this sense, the sustainability of the Fund shall be strengthened, based on rational, effective and efficient budgeting and public spending, to have good management of the treasury "cash flow".

#### **5.3.11 Management of the Social Security Fund and the Veterans Fund**

The Government intends to create good social protection for all citizens. An existing social assistance program will therefore be ensured through adjustment to the level of financial assistance by existing need and a sound management of the social security fund with a view to ensuring its sustainability.

Social security is a commitment of the Government to strengthen inclusive development. Thus, the "Social Security Institution" will be founded, with the aim of carefully managing the social security service and fund, considering the sustainability and transparency of the Fund, and guaranteeing the beneficiaries' rights in the long term.

On the other hand, the Government will also conduct studies on the creation of the Veterans Fund as a commitment to improving the quality of life of veterans and ensuring the sustainability of veterans' long-term financial assistance. The creation of the Veterans Fund will be subject to the results of the studies carried out.

### **5.3.12 Management of State Assets**

The process of building the State, which continues in leaps and bounds, already results in an increase in movable and immovable State assets, at national, regional and municipal level. Thus, this Government intends to improve the management of these State assets.

Aiming to have good management of the State's assets, the Government's policy is to create a dedicated institution to coordinate with the relevant public institutions and manage all movable and immovable assets. Management of the State's assets includes the creation of a database with all state assets, defining regularly the value and depreciation of assets, as well as managing well the use and lease of assets.

## **6. GOOD GOVERNANCE AND COMBATING CORRUPTION**

Good governance and a professional, competent and efficient public sector are essential conditions for the delivery of public services and for the implementation of the policies and actions set out in the Strategic Development Plan and in the Government Program. Increasing confidence in governance necessarily entails raising the performance of the public sector, as it is, at a first stage, the main engine of national economic growth.

Conducting audits and establishing effective mechanisms to ensure the transparency of public institutions and independent accountability of their actions are the main guarantor of good governance. Good governance, in turn, helps to prevent corruption at all levels of society.

As such, the Government shall promote the principles of transparency, accountability, integrity and leadership through risk management mechanisms, accountability based on results, complaints systems and, fundamentally, adequate use of public funds.

To promote good governance and combat corruption the Government shall develop the following actions:

- Strengthen the inspection bodies, in particular the Office of the Inspector General of the State, in order to increase and improve inspections and audits of public entities in a responsible and independent manner;
- Invest in the capacity building of the Anti-Corruption Commission, mainly by promoting initiatives to prevent corruption, including civic education campaigns;
- Invest in capacity building of the Civil Service Commission and further promote a culture of performance management and recruitment and career advancement based on merit;
- Strengthen cooperation with the Court of Auditors, providing all requested information and accounts, for greater responsibility, accountability and transparency;
- Develop and implement a Code of Conduct for Members of the Government (PED);
- Adopt modern information technology in the civil service to support Government cohesion and eGovernment initiatives (PED 2020);
- Review existing legislation and increase legislation to prevent and fight corruption;
- Establish specific anti-corruption action plans, in accordance with the sectors and institutions for which they are intended;
- Carry out anti-corruption campaigns not only at the level of public administration but also in schools and the public as a preventive and educational model for future generations;
- Promote complaints and public consultation systems, promoting complaint forms and the implementation of questionnaires to the public;
- Develop a database on public and private institutions involved in corruption, for effective monitoring;
- Continue to implement a legislative policy aimed at the quality of legislation, its simplicity, systematization and accessibility;
- Improve access to, and knowledge of, national legislation by improving the publication and ongoing distribution of compilations, organized by sectors, as well as having these available in bilingual mode and promoting its online dissemination;
- Strengthen the institutions responsible to produce national statistics to better inform decision-making so that these are based on rigorous information to monitor and evaluate the true performance of the public sector in the provision of public services and the real portrait of the nation;



- Improve internal communication within the Government, both among the various governmental agencies and within each one, reducing the informality of the processes that affect the transfer of knowledge and accountability. The reinforcement of the communication will also help to reduce the duplication of activities, functions and responsibilities for the same program, which eventually dilutes accountability;
- Strengthen the implementation of the Program Budget Roadmap for Timor-Leste, which should link the Plan to the Budget in all government agencies;
- Strengthen planning, monitoring and evaluation capacities in all government agencies, including a greater effort to train human resources so that widespread difficulty in dealing with concepts related to Planning, Monitoring and Evaluation does not adversely affect the quality of information and implementation of the program budgeting roadmap;
- Implement initiatives that contribute to a culture of performance and accountability, with hierarchical chains and attribution of responsibilities, in an institutionalized way;
- Revise the Life Annuity Law, so that this regime is integrated into the Social Security Contribution Scheme, in respect of the pensions of the new members of the Sovereignty Organs.

## **6.1 Public Administration**

Improving the effectiveness, efficiency, and professionalism of Public Administration action for the provision of better public services is a crucial factor in the implementation of development policies and programs that lead to poverty reduction and hence to progress and well-being of the population.

For this reason, reforming the Public Administration, with a view to its modernization and the implementation of good governance measures, remains one of the Government's main objectives. In addition, improving leadership, management and performance capacity, transparency and accountability will contribute to better public services, resulting in the well-being and progress of the population and, of course, State institutions.

The successive governments have therefore been committed to the reform of public administration, with a view to a sustainable public sector. This Government will continue to develop these efforts by safeguarding the continuity of reforms and ongoing programs, ensuring the continued promotion of efficiency, effectiveness, transparency, productivity and gender equality in the public sector.

In this respect, the Government shall:

- Create the National Agency for the Reform and Modernization of Public Administration, which will be responsible for the inter-ministerial review and coordination of the implementation of the Guide for the Reform and Modernization of Public Administration;
- Create coordination and cooperation mechanisms between the National Agency for the Reform and Modernization of Public Administration, the Civil Service Commission, the National Institute of Public Administration and the various Government Departments to identify priority goals, necessary legislation and actions to be carried out for the progressive improvement of the organization and operation of the Public Administration, for the enhancement of the qualifications of the human resources of the Public Administrations and for the improvement of the quality of the provision of public goods and services to citizens;
- Review and implement the Institutional Strengthening Policy, including the review of the organizational matrix of institutions;
- Approve and implement the legal framework of the Public Administration Organization, duly harmonized with the Institutional Strengthening Policy and the Guide for the Reform and Modernization of Public Administration;
- Standardize the systems, processes and procedures related to the functioning of the Public Administration, namely for the performance of the communal functions of the various Government Departments;
- Continue to carry out diagnoses on the workforce in public institutions, to adjust and improve the staffing chart in each of the organizations, and to implement standardized rules and procedures, including with regard to employment contracts;
- Strengthen mechanisms for merit-based recruitment, career progression through performance and merit results, productivity incentives, and training and institutional development opportunities for all public sector human resources;
- To approve a national program for the training of human resources of the Local State Administration with a view to improving the delivery of local public goods and services;
- Review, approve and implement the Strategic Plan of the Civil Service Commission, so as to ensure its harmonization with the Guide for the Reform and Modernization of Public Administration and with the National Institutional Strengthening Policy;

- Provide the National Institute of Public Administration with the necessary conditions to carry out its functions, in particular organizational, logistical and financial means, including its computerization, assuring its affirmation as a Professional Training Centre for Public Administration;
- To strengthen the control and administrative, financial and patrimonial management of the State, using the General Inspection of the State, through the revision of the organic status of the GIS and the approval and implementation of the law of internal control system of Public Administration.

## 6.2 Decentralization

The modernization of Public Administration and the increase of its effectiveness and efficiency necessarily includes its decentralization and deconcentration. The transfer of duties, competencies and responsibilities to local and municipal bodies, enabling them and creating the conditions for them to deliver quality services, is one of the fundamental aspects of the decentralization process.

This, in addition to increasing democratic participation, will also contribute to the development of the private sector at the municipal and rural levels, so that all contribute to its own development and, ultimately, to the integrated and sustainable development of the Nation.

Territorial Planning and the National Planning Framework will be addressed in a complementary and integrated perspective, also considering the Policies of Administrative Decentralization and Local Autonomy, in order to guarantee the sustainable, balanced and equitable development of the Nation.

In this context, the Government shall:

- Promote the approval by the National Parliament of the Law on Local Power and Administrative Decentralization, the Municipal Electoral Law, the Finance, Heritage and Municipal Procurement Law and the Institution Laws, specifically, Municipalities;
- Review the legal framework for the organization and operation of Municipal Authorities and Municipal Administrations, continuing the strategy of administrative decentralization underlying the approval of Decree-Law no. 3/2016, of 16<sup>th</sup> March;
- Continue to implement the administrative decentralization strategy, converting the Municipal Administrations of Aileu, Ermera and Liquiçá into Municipal Authorities, endowed with legal personality and financial autonomy, starting in 2019;
- Review and approve the Municipal Development Plans of the twelve municipalities, in accordance with the 2011-2030 Strategic Development Plan and the Government Program, which will serve as a reference for the preparation of the Annual Action Plans, Municipal Investment Plans and Municipal Budgets;

- To approve and implement the joint ministerial diplomas for the local execution of the governmental programs devolved in the Local Administration organs;
- Approve and implement the joint ministerial decrees approving the training programs of Local Administration officials for the implementation of governmental programs for which the Municipal Authorities and Administrations are responsible to carry out;
- Reinforce the allocation of funds in municipal budgets, with a view to the existence of the financial means necessary to increase the quantity and quality of public goods and services, delivered through Local Administration services;
- Conduct a survey of the needs of Local Government in terms of human resources and outline and implement training programs for local civil servants;
- To approve and implement a program of reallocation of human resources by the Public Administrations, ensuring a fair distribution of them, according to the needs existing in each service;
- Phase-in the elections for the representative organs of Local Government during the years 2021, 2022 and 2023, considering the existing conditions in each municipality;
- Approve and implement the National Policy for Local Development, duly harmonized with the Strategic Development Plan 2011-2030;
- Review the legal framework of the Integrated Municipal Development Planning, simplifying the procedures for programming and execution of the public investments financed through this program, and strengthening the competencies of Local Administration bodies in their implementation;
- Review the legal framework of the National Suco Development Program, in order to strengthen the participation of Suco Bodies in the programming, implementation, supervision and quality evaluation of projects financed through this program;
- Approve and implement the legal framework of Community Development Planning, ensuring the financing of the execution of Community Development Plans through the National Suco Development Program;
- Review the legal regime of material and financial incentives for community organizations, so as to increase the material and financial resources of Sucos for the delivery of goods and services to members of local communities;
- Approve a legal diploma for the regulation of the Suco Law, so as to operationalize the exercise of the powers established in this law for community organizations and facilitating the coordination between Sucos, State Administration and municipalities;

- Approve a legal diploma on the conclusion of inter-administrative contracts between the State Administration, municipalities and Sucos, to enable the possibility of increasing the delivery of goods and services through the Sucos, in line with the concrete capacity of each community organization;
- Review and implement a National Community Leadership Training Program.

### **6.3 Election Administration**

The process of national reconciliation and the building of our democratic Rule of Law has largely benefited our country's ability to organize and carry out free and democratic elections. The professionalism and exemption of the organs of the Electoral Administration were recognized, over the years, by national and international observers. Our People, indeed, have full confidence that the results, which are being determined in each election, are a faithful expression of the popular will.

Also, at international level, there is confidence in our electoral system, our State being recognized by the International Community as a true democracy. This has also been demonstrated by the requests made in recent years to our State to provide technical support in organizing and conducting elections in other States, notably in the Republic of Guinea-Bissau, the Democratic Republic of Tome and Principe and the Central African Republic.

The quality and capacity of our Electoral Administration should, however, continue to be ensured and strengthened, not only by supporting the training and qualification of our electoral staff, but also by reviewing and updating our electoral legislation, in order to clarify aspects that may have been more controversial or difficult to apply, but also through its updating, so that it maintains its capacity to respond to the challenges that currently face our electoral system.

In this respect, the Government shall:

- Promote the organization and execution of an Electoral Management and Administration Course, to strengthen the technical capabilities of the professionals of the Electoral Administration bodies;

- Conduct a general updating of the Voter Registration Database, in order to eliminate multiple voter registration situations and voter registrations that have since passed away;
- Promote the approval by the National Parliament of an Electoral Code that condenses, in a single legal document, all the legal rules that shape the organization and conduct of elections for President of the Republic and Members of the National Parliament.

## **6.4 Land-use Management & Planning**

Part of the strategy to develop social capital, also through the delivery of better services, is related to the Government's ability to define the process of organizing the space where the population lives, in order to provide an occupation, use and transformation of the environment in accordance with its potential.

It is in this sense that it is the Government's priority to implement the Base Law on Land-Use Management & Planning and the draft National Land Management Plan, and to approve the corresponding legislation, so that the use of the land can be defined in a balanced and strategic manner, the use of space for the development of human activities carried out in a sustainable way, considering economic, social, cultural, political and environmental aspects.

The Base Law foresees the existence of two great types of instruments of territorial planning: those of national scope and those of municipal scope. Its approval allows the specific definition of the guiding principles and objectives of the Administration, the identification of the various public interests with a territorial dimension, the use of territorial planning instruments as a means of Public Administration, as well as defining the typology and the objectives to be followed by them, in the medium and long term.

Within the scope of the economic sector, and for its success and sustainable growth, the Government shall develop a National Planning Framework for the implementation of Development Centers and Special Zones of Social Market Economy in the various regions of the country, based on the characteristics of each region and according to local resources available, for the implementation of actions and strategies for sustainable growth.

This National Planning Framework will, of course, be developed in close connection with the National Land-use Management & Planning Policy.

The Government proposes to:

- Elaborate the institutional and legal framework necessary for the National Land-Use Management & Planning, which should include the national spatial planning, the sectorial spatial planning plans, the major city master plans, the municipal master plans and the urban and allotment plans;
- Develop a rural urbanization plan, providing people with access to roads, water and sanitation, schools, medical clinics, access to markets and electricity in a strategic way (PED 2022);
- Promote the elaboration and implementation of urban development plans with a view to the systematic revitalization of the urban network, in a phased and integrated manner, in coordination with the various sectors with an impact on land use;
- Implement the National Urban Mobility Policy, to develop land transport and to ensure sustainable development and adequate protection of the environment. This policy also aims that the municipalities to prepare and present their urban mobility plans for the planning and growth of cities in an orderly way, giving priority to non-motorized means of transportation and collective public transport services;
- Implement the Land-use Management and Planning of Ataúro Island, for the economic and social development of the Island, to achieve the objectives that led to the creation of Special Zones of Social Market Economy;
- Continue to implement the diplomas on toponymy for the city of Dili, the legal regime of toponymy and numbering of the police at the municipal level.

## 6.5 Rural Development

The social and economic transformation of rural areas, promoting the quality of life of all Timorese, even those living in remote and difficult access areas and possibly the neediest, is one of the main objectives of this Government.

To fulfil this objective, the Government will act in a coordinated and intersectoral way, which implies that all sectoral policies and investments will address the issue of rural development in a transversal manner. In a small country such as Timor-Leste, the existence of regional asymmetries and social and economic inequalities is an incoherence that represents a huge loss of opportunities.

Local job creation is the best way to raise the standard of living and well-being of the rural population. In this sense, it is essential to invest in the growth of the private sector in rural areas, including supporting small and medium-sized enterprises and cooperatives, encouraging their participation in rural economic growth.

The Government will continue to develop a national planning framework, considering local specificities and potential development sub-sectors, weighing in local characteristics and traditional practices, as

well as their access to basic, economic and social infrastructures and access markets.

It is in this sense that the following main actions for rural development are highlighted:

- Implement the National Planning Framework to meet the challenges of each region and allow sustainable growth and equitable economic development for the whole country;
- Build, rehabilitate and develop basic, economic and social infrastructures, in consultation and with the planning and direct involvement of communities;
- Improve the legal and regulatory framework that allowing the development of initiatives and projects, at the level of rural communities;
- Develop studies to create an environment conducive to investment in rural areas, including the implementation of microcredit systems and other forms of lending, promotion of cooperatives or family businesses, with priority for agricultural production and market creation, also for processed products;
- Promote institutional training and professional training for family businesses, cooperatives and small and medium-sized enterprises in rural areas;
- Improve the planning of agricultural activity and management of soils and natural resources, including studies on the comparative advantages of each region and access to infrastructures and markets;
- Continue to promote private sector development in rural areas, including through incentive schemes and tax benefits for the development of the primary sector, projects to transform private sector products into commercial goods, development of traditional technologies for tourism and markets, etc.;
- Continue to promote the decentralization process and a local government for the political, social and economic emancipation of rural localities;
- Develop international cooperation partnerships between agricultural enterprises to improve the following areas: market studies, marketing strategies, business evaluation and planning, training and technical assistance, technology and product development, and financing mechanisms;
- Continue to support rural enterprises with raw materials and equipment to grow their micro-businesses.



## **6.6 Special Administrative Region of Oe-Cusse Ambeno and Special Zone of Market Social Economy**

The Special Administrative Region of Oe-Cusse Ambeno (RAEOA) has been established to facilitate better synergy amongst state institutions in the region to enable more effective governance, poverty reduction and the economic well-being of all the population.

The Special Zones of Social Market Economy of Timor-Leste (ZEESM) are a national development program, aiming at the establishment of special areas of social commerce that will allow the growth of a social market economy, which means that people and the communities of a particular Region are those receiving the most direct and indirect benefits.

In view of the rigid policies adopted in Oe-Cusse and the prolonged failure to comply with the procedures that guide the State in the field of Public Administration and good governance, procedures that have been adopted in recent years by all governmental institutions, this Government sees a pressing need to change the current legal framework prevailing in that Region.

A separation of powers between RAEOA and ZEESM is of paramount importance to enable society and the local population to have a say, to express their wishes and expectations, to ensure the spirit and goal of the creation of Special Zones of Social Market Economy;

The effective participation of society and communities in the process of development carried out in their region is affirmed as the determining factor in the search for benefits that will, obviously, fall on their lives, for responsible, transparent and sustainable socioeconomic and cultural growth.

Thus, the Government will continue to invest in this regional governance structure, through innovative policies and betting on this new paradigm of development based on the social market economy, continuing, however, with the following actions:

- Separate the services provided by ZEESM from the functions of the Regional Administrative Authority;
- Integrate the financial services into the national Freebalance system;
- Improve control and oversight systems, especially for large projects, which are subject to prior audits by the Court of Auditors;

- Improve supply systems, ensuring compliance with the central supply regime;
- Conduct an immediate audit of RAEOA and ZEESM.

## **6.7 Electronic Government**

The Electronic Government or the Electronic Administration Public allows to inform and disseminate the services provided and the information produced by the Government to the population in general, making use of Information and Communication Technologies, ensuring good governance, greater transparency in public processes and policies and, at the same time, bringing people closer to government agencies and, as such, their greater participation in government decisions.

The Government will invest on the development of Information and Communication Technologies, implementing the National Policy for Information and Communication Technologies and creating the necessary conditions for the Institute of Information and Communication Technology, recently created, to fulfil its mission of managing the computer network of the Government and other public entities with a view to the modernization of the State and to improve the operation and delivery of services by public institutions.

A key part of this strategy is administrative modernization, building on the added value of Electronic Government, including the establishment of connectivity and internet access platforms in all State and Government institutions.

In this sense, the Government will continue to make efforts to bring the citizen closer to the public administration, through the development of the computer and technological sector, which will allow a modern and efficient system of electronic governance in the future.

To this end, the Government shall:

- Conduct studies to establish the management of the government and other public information network;
- Implement the National Policy for Information and Communication Technologies;
- Adopt modern information technology in the civil service to support Government cohesion and Electronic Government initiatives (PED 2020);
- Continuously improve and update the Government's Electronic Portal, namely information on the Country and governmental activities, including linking with governmental and public entities;

- Promote the existence of quality electronic portals for all government entities;
- Promote an interactive platform with governmental entities, initially centralized in the Government Portal, where the Government opens a space to listen, debate and organize information relevant to public opinion;
- Initiate preliminary discussions with the other organs of sovereignty to create a space for dialogue between them using the technological platform;
- Conduct a survey and promote inter-ministerial coordination on the components of Electronic Government and the services and forms that should be made available online in the future;
- Continue to develop the Electronic Public Finance Management and the Transparency Model of Timor-Leste through electronic portals that allow the consultation of State operations, including the Budget Transparency Portal, the Electronic Procurement Portal, the Transparency of Aid Portal and the Government Results Portal;
- Gradually implement more online payment for State services;
- Continue to invest in the creation of electronic databases, in addition to the Public Service database;

## 6.8 Justice

Promoting the Rule of Law and guaranteeing equal access to justice for all continues to be a major challenge for Timor-Leste and involves very complex aspects. The consolidation of the justice sector is, however, of fundamental importance for peace-building and State-building. It is also a crucial factor in conveying confidence and attracting investment in the development of the economy. We face several challenges, ranging from weak or inadequate legal frameworks to insufficient infrastructures and difficulties in training and qualifying our human resources, fundamental conditions to allow access to justice for all.

The historical context explains some of the challenges in this sector, emphasizing that a part of the professionals in the justice sector does not dominate the legal system inspired by the Portuguese model, nor even the full command of the Portuguese language, essential for a good interpretation and application of the laws.

The fragility of the justice system may call into question the very construction of the State and the economic and social development of the nation. There is no trust for economic investment without a judicial system to ensure compliance with the law. And without investment, there is jobs, and without employment, there is no peace. It is therefore a subject that must be approached with the necessary respect by the institutions and the separation of powers, but also with urgency and seriousness.

It is therefore the aim of this Government to initiate a profound reform of this institution, which will take time, given its complexity. We believe that institutional cooperation, in a process that is inclusive,

and an appropriation by national decision makers, can contribute to the solution of this challenge, that is, to the consolidation of an effective justice system, where the processes through which it is applied be quick, balanced, reliable, independent and fair.

Thus, form part of the Government's main objectives:

- To consolidate peace and democracy by guaranteeing the fundamental rights, duties, freedoms and guarantees of all citizens;
- Introduce profound reform in the justice sector;
- Improve the efficiency, effectiveness and expediency of the exercise and administration of justice;
- Build a competent, independent, professional and experienced framework of human resources in the justice sector;
- Ensure the independence of the Courts before other sovereign bodies;
- Promote and respect the rights of all citizens, including the extension of legal assistance to the most vulnerable and unprotected citizens, particularly regarding access to and understanding of the justice system;
- Promote the trust of the people and other foreign citizens, including investors, in the justice system.

To pursue the objectives laid down the Government shall implement the following, according to the different themes of the sector:

- a)** In the institutional development plan, consolidate the administration of justice, through the improvement of institutional capacity and coordination. And, in this respect:
- Review and update the Justice Sector Strategic Plan (2011-2030) for a more expedient reform in the justice sector;
  - Promote the review of integrated coordination and planning lines, establish the Technical Commission for the review of the JSSP and encourage dialogues with the Justice Sector stakeholders on the implementation policy and results;

- Reform the Centre for Legal and Judicial Training as a center of excellence for judicial actors and harmonize the legal basis on the recruitment of public prosecutors and magistrates;
- Improve the coordination of the sector, ensuring that its institutions have a clear perspective on how they interact and complement each other;
- Deconcentrate the justice services and create effective mechanisms to facilitate the access of the entire population to justice;

**a)** The reform of the legal framework will be done through the consolidation and harmonization of legal frameworks in the system of Justice and Law. And, in this respect:

- Review the set of structuring laws for the justice sector already approved and implemented, filling gaps and improving regulation whenever necessary;
- Complete the legal framework of the judicial system and review existing laws;
- Review the recommendations of the Public Policy and Strategy Proposal for Legislative Reform and the Justice Sector, prepared by the Committee on Legislative Reform and the Justice Sector, to define an implementation plan for the structural reform of the Administration of Justice;
- Prepare the draft Law of the Judicial Organization with a view to extending the judicial map with new establishments of the municipal courts;
- Review the Statutes of Judicial Magistrates;
- Implement the Land and Property Law and finalize the Cadastre Information and registration of real estate;
- Complete the Land Law package and prepare draft law for the Land Registration Law;
- Propose the approval of legislation to improve the management of the State's real estate and lease of State's real estate to individuals;
- Reinforce the Language Policy in the Justice Sector, with the implementation and reinforcement of the Official Languages Use Regime in the justice sector, which aims to adopt a bilingual model for the elaboration of normative acts, judicial processes and the administrative procedure of the justice services;
- Introduce the decree-law on mandatory bilingual application (Portuguese and Tetum) in the justice sector;

**b)** The development of human resources in Justice is crucial for a sector, with an unquestionable role in the process of construction of the State and the Nation. Thus, there is a need to:

- Define a policy and strategic plan for training the human resources in the justice sector, crucial for the improvement and consolidation of the sector, with short, medium, and long-term measures and considering the key aspects that have been hindering the area of Justice;
- Ensure the review of the recruitment, training and human resources processes in the justice sector;
- Continue to develop plans and build the necessary human resources for the future establishment, in the medium and long-term, of all the institutions provided for in the Constitution and Law;
- Encourage the training of auditors of the Chamber of Auditors and judges to the Superior Administrative, Tax and Auditors Court;
- Ensure continuous and professional training for Public Defenders and the establishment of the Bar Association, irrespective of the way of said professional association is organized;
- Ensure training for civil servants, clerks of justice, administrative personnel in the justice sector;
- Implement the training of Notaries and Registrars of the Registry and Notaries;
- Support the training of cadastral technicians and strengthen the operations of the Land Commission;
- Invest in the Centre for Legal and Judicial Training and in the improvement of its capacities, to continue the qualification and training of professionals in the justice sector;
- Prepare the teaching curriculum and promote the reform of the teams of trainers / teachers in the CLJT;
- Continue the training of magistrates, public defenders and private lawyers at the CLJT;
- Strengthen the capacity of Public Defenders and create conditions for private, professional and competent lawyers, to raise the effective and quality legal assistance;
- Promote the training of the national judicial players;
- Promote and enable the role of the Judicial Inspector;
- Strengthen the team of judges, to enough numbers, to implement all existing and planned judicial bodies, and recruit and train staff to carry out administrative functions to free judges from such tasks;
- Train Clerks of Justice to carry out their duties fully;
- Academic training of social reintegration, legal and physical training for prison guards, as well as specialized training for prison guards at the juvenile rehabilitation center;

- Review the recruitment criteria of international judges in to improve the advisory, training and mentoring functions, for a true transfer of knowledge and for national judges to better understand these advisory functions;
- The Coordination Council shall establish mechanisms for the recruitment of international legal advisors prior to exercising their profession in the Timorese justice sector;

**c)** The need to equip the Sector with adequate infrastructures is a highly relevant condition. Thus, there is a need to:

- Invest in the capacity of institutions in the justice sector to better fulfil their mandates, including support infrastructures, equipment and computerization;
- Build the new PCIC and the Supreme Court of Justice;
- Finalize the construction of the Public Defender's office building in the municipalities;
- Build housing for prison guards;
- Rehabilitate Public Defender's, Civil Registry / Registry Offices buildings and Land and Property in the municipalities;
- Build the Youth Rehabilitation Centre;
- Modernize the justice sector, including infrastructures, equipment and tools, procedural as well;
- Install the IT system and a network, with capacity to cover all the municipalities in the national territory;

**d)** Regarding access to justice, foster the approximation of justice to citizens and, to this end:

- Ensure the capacity of prison services to ensure the security and improvement of prison facilities, compliance with international standards and reintegration of prisoners into communities;
- Improve the capacity of registration and notarization services to ensure legal trade security and ensure the acts are executed in a manner that is quick and accessible to citizens;
- Improve the effectiveness of land registry management and the State's real estate assets;
- Continue to implement the expansion of the issuance of identity cards to all municipalities, and continue to invest in the issuance of the Timor-Leste Electronic Passport;
- Expand the Access to Justice Clinics program to cover all municipalities;

- Review the justice sector map and implement measures aimed at ensuring, in the future, judicial existence, with quality and professionalism, in all municipalities;
- Carry out broad campaigns to publicize the justice system, laws and fundamental rights of citizens, to build trust in the justice system and ensure there is a sense of "Justice for all";
- Continue the dissemination of laws, decrees, and legal acts to increase citizens awareness;

e) Finally, something which is transversal to all the institutions in the Justice Sector, which is good governance, since only from good governance can arise the good performance of Justice for the common good. To do this end, there is a need to:

- Improve the capacity of the oversight and control bodies of the justice system, ensuring greater independence and effectiveness and efficiency (Superior Councils and Court of Auditors));
- Enhance the Justice Sector Coordination Council, strengthening the functioning of the Superior Council of Judicial Magistrates, Public Prosecutor's Office, Public Defender's Office and establishing the Superior Council of the Court of Auditors;
- Safeguard the improvement of management systems and procedures in planning, budgeting, financial management, procurement, logistics and human resources, including the establishment of coordinated case management systems;
- Improve coordination within the justice sector itself and between this sector and other bodies, especially those most relevant to the improvement of the justice sector;
- Strengthen the services of the Justice Sector Coordination Council, harmonizing the legal basis to provide, in this way, opportunities for stakeholders to participate in Coordination Council meetings;
- Continue to strengthen the implementation of management systems and procedures, including the case management system;
- Improve international cooperation mechanisms by aligning the priorities of its programs with the country's strategies and priorities;
- Continue to promote cooperation with countries of the CPSC and ASEAN and other international organizations in the field of justice as important partners in the development of the justice sector.



### **6.8.1 Scientific Police for Criminal Investigation**

- Improve the capacity of prevention, detection and investigation actions of the Scientific Police for Criminal Investigation;
- Invest in laboratories and scientific and criminal equipment;
- Strengthen training in criminal investigation, namely the bilateral cooperation with the School of Portuguese Judiciary Police.

## **6.9 Defense and Security**

The development of transparent, efficient, competent and professional institutions of Defense and Security is fundamental to the maintenance of democracy and the consolidation of stability and peace at national and international levels.

As such, a strong Defense and Security sector has been built, from the very beginning of the restoration of independence, with an approach that considers the particular circumstances of the country, including its past of recent conflict, its youth and inherent fragility.

Reconstruction challenges, including the preparation of human resources, the development of a sound legal framework consistent with local idiosyncrasies, and the provision of the necessary equipment and infrastructure to national security institutions, have been gradually addressed by the various established governments.

As such, the Government will continue to consolidate the progress already achieved, to correct the sector's systems and imperfections, and to develop new strategies that will allow the consolidation of a modern and professional Defense and Security sector.

These objectives include strengthening coordination and close cooperation between the Defense Forces (F-FDTL) and the Security Forces (TLNP), ensuring clarity and commitment in accordance with their respective responsibilities and missions.

The Government shall also create the National Security Council which will be a Government advisory body to provide advice and support to senior decision-making, as well as to develop policies and legislation that include defense and security matters.

### **6.9.1 Defense**

The Timor-Leste Armed Forces, the FALINTIL-FDTL (F-FDTL), composed exclusively of national citizens, are constitutionally responsible for military defense. Its primary mission is to guarantee national independence, territorial integrity and the freedom and security of populations against any external aggression or threat, while respecting the constitutional order.

In addition to its main mission, the F-FDTL may be employed in other missions in support of civilian authorities, within the framework of the Integrated National Security System, under the Law on National Security, as well as in support of the State's foreign policy, in peacekeeping and humanitarian operations.

Like the Security Forces, the Defense Forces are non-partisan and owe obedience to the competent sovereign bodies and are barred from any political intervention.

In the development of the defense sector, the Timorese State reaffirms its strategic defense position, based on respect for the Rule of Law, pursuing diplomacy and deterrence as a means of preventing and resolving possible conflicts, while maintaining non-waiving of use of force under the Charter of the United Nations necessary to ensure national independence.

This approach involves investing in the Defense Forces to enable them to defend the Nation from external threats as well as being empowered to contribute to regional and international cooperation efforts, including the preservation of national and international peace and stability.

In this context, the development of defense will consider a contemporary reading of the international geostrategic context of the 21st century, permeated by new types of risks and threats - now diffused, multidimensional and of a markedly internal character, making the border between defense and security tenuous. This requires an informed reading of the security environment of the 21st century, re-evaluating the role and functions of the institution of the defense of the Timorese State and its position in external relations in this field, especially regarding cooperative security and its participation in collective humanitarian and peace actions within the framework of the United Nations and other international fora.

To consolidate the development of strategic defense and military planning, whose documents are essential for the development of the F-FDTL's essential capabilities for the performance of its missions, and for guiding the cycle of force planning, the defense will continue elaboration of the structuring building of strategic defense and military planning. With the approval of the Strategic Concept of Defense and National Security, the defense will cement the structuring structure of strategic planning, consolidating the Ministerial Directive of Military Planning and Defense, Military Strategic Concept, F-FDTL Missions, System and Security Establishment and propose the Law on Military Programming, on its way to the modernization and professionalization of the F-FDTL. From this perspective, force

planning serves strategic planning based on an assessment of national defense needs according to identified risks and threats.

Additionally, the Government shall take a more effective strategy on maritime geostrategic security, considering recent events in various parts of the world, with the growing increase in terrorism, but also in human trafficking and other types of organized crime. On the other hand, given Timor-Leste's geographical position, its extensive Exclusive Economic Zone and the wealth of natural resources at sea, including the Timor Sea energy resources, the development of naval capacity for Timor-Leste is urgently needed to enable the country to protect and preserve its resources and its people.

In this sense, the defense will consolidate the necessary legislation for the construction of the Timor-Leste Maritime Authority System (TLMAS) and the National Maritime Authority, and to operationally implement its operation as an entity that exercises public authority in maritime spaces under sovereignty and national jurisdiction and the function of superior structure of direction, administration and coordination of the bodies and services that operate within the ambit of TLMAS.

The Government, in the field of defense, shall pursue the following objectives:

- Defend national sovereignty, consolidating peace and stability and promoting reconciliation and national unity;
- Promote military service, as a patriotic duty, and instill in professionals therein the exemplary model of citizenship and integrity;
- Involve the F-FDTL in the economic, social and human development of the country;
- Develop bilateral and multilateral cooperation actions for the promotion and preservation of national, regional and global peace and stability, in the strengthening cooperative security;
- Ensure the participation of F-FDTLs in multinational forces and international organizations, including peacekeeping operations and humanitarian operations of the United Nations;
- Train and improve the capacity of the F-FDTL to support civilians, especially in the event of natural disasters and other emergencies within the context of the Integrated National Security System;
- Train the Naval Component for the defense, surveillance, control and inspection of maritime and port activities within the framework of the Maritime Authority System of Timor-Leste;

- Promote the construction of the Air Support Component to participate in an integrated manner in the country's military defense, as well as patrol the national airspace and participate in humanitarian missions in support of the civilian population;
- Promote the building up of all F-FDTL capabilities identified in the Strategic Concept for Defense and National Security;
- Consolidate the structuring assembly of the Defense and Military Strategic Planning;
- Promote the study and reflection on the compulsory military service drafting;
- Promote the participation of women in the defense sector, including the creation of career advancement opportunities, promoting gender equality.

To achieve these objectives, the following actions shall be carried out:

- Ensure that the defense sector, including F-FDTL, is credible, professional and well-equipped, versatile in carrying out a series of missions and with a vocation to participate in national security, stability and development efforts (PED 2020);
- Review and update the "2020 Strategic Force Study" and redefine the F-FDTL development and consolidation plans, in what remains necessary until the construction of the strategic planning documents for the Defense and Military Planning;
- Implement the Strategic Concept for Defense and National Security, including reviewing and approval of its legal framework;
- Draft the Ministerial Directive on Military Planning and Defense, the Military Strategic Concept, the Missions of the F-FDTL, the System and Security Establishment and propose the Military Programming Law to consolidate the strategic defense planning cycle;
- Improve infrastructures and build new facilities for all components, including major territorial and naval bases;
- Plan the establishment of a Joint Academy for Defense Forces and Security Forces and Services;
- Build Military Housing Estates in different locations, whenever necessary;
- Develop studies and investment plans for the construction of a hospital dedicated to the provision of health care to military and police personnel, and veterans;
- Equip F-FDTL with modern, high-quality equipment, materials and weapons, in compliance with current national and international legislation;
- Implement a policy of integrated development of the human resources of the Defense sector;

- Improve military recruitment processes, based on merit;
- Improve information systems and technologies and develop the Command, Control, Communications, Computers and Information system;
- Increase the capacity of the operational components, on land and naval;
- Provide the Naval Component with adequate means to carry out its missions;
- Establish and train the National Maritime Authority to ensure sovereignty in maritime areas under national jurisdiction and defense of maritime resources;
- Invest in the training of civil and military personnel to ensure the proper functioning of the National Maritime Authority;
- Strengthen the development of Special Forces Units;
- Commence the construction of the Air Support Component to participate in an integrated manner in the country's military defense, as well as patrol the national air space and participate in humanitarian missions in support of the civilian population;
- Strengthen bilateral and multilateral cooperation in the field of defense, promote strategic partnerships with partner countries and contribute to national and international development;
- Create training opportunities and logistical support to increase the participation of F-FDTL members in United Nations peacekeeping and humanitarian operations;
- Strengthen the capacity of the defense sector in terms of engineering and health units to provide support to populations;
- Implement the National Alert System and improve the capacity to respond to natural disasters and emergencies;
- Promote, together with the Security Forces and Services, as well as Civil Protection, joint exercises under the Integrated National Security System;
- Further develop measures and implement actions that will lead to a fair and dignified retirement process for veterans still in active employment.

### **6.9.2 Security**

Security, as one of the essential functions of the State, is an indispensable prerequisite for the exercise of citizens' fundamental rights and freedoms, the preservation of the stability of society itself and the normal development of economic activity being dependent of its safeguard.

Under the Constitution, the NPTL and the security services are mandated to defend democratic legality and guarantee the internal security of citizens, being strictly non-partisan and acting in an exemplary manner in what respect for human rights is concerned.

To this end, the Government assumes, as a priority of its action, the adoption of policies and concrete measures that will continue to contribute to making Timor-Leste a safer country by strengthening state authority and developing and consolidating the effectiveness of the Forces and Security Services, recognising that this is an area in which the investment presents, in the short, medium and long-term, advantages and exponential benefits.

The Government will therefore continue to implement a comprehensive strategic plan that responds to the strategic objectives of its reality, covering relevant issues such as the prevention of risks to social stability, the fight against crime, civil protection and road fatalities.

In the Security sector, the Government will continue to implement a comprehensive, long-term plan, ensuring that the Security sector fulfils its primary role of serving the people and securing peace, security and stability. The Government wants to ensure the pursuit of the following objectives:

- Develop and review the legal framework of the institutions in the Internal Security and Civil Protection sectors, in accordance with the policy established in PED 2011-2030 and with the Strategic Concept of Defence and National Security;
- Develop the operational capacity of the Internal Security and Civil Protection institutions, improving the performance of their missions;
- Intensify the deconcentration of services, bringing them closer to citizens throughout the national territory;
- Continue to focus on strengthening Civil Protection through the effective legal and operational implementation of the National Civil Protection Authority;
- Continue to improve the Migration Service, implementing the laws and regulations in force, namely the new Migration and Asylum Law;
- Strengthen the capacity of the National Road Safety Directorate, guaranteeing the existence of services accessible to citizens and the adoption of rules and procedures in the management and procedure of the records of road misdemeanours;
- Improve internal mechanisms for monitoring and reporting on compliance regarding respect for human rights;
- Continue to improve the system of community conflict prevention and resolution;
- Strengthen the training and specialisation of human resources through medium and long-term study programs or internships in homologous institutions of the CPSC Member States;

- Strengthen bilateral cooperation with CPSC and ASEAN Member States in relevant areas, expertise skills and provision of technical assistance;
- Evaluate, review and update the 2030 Strategic Plan for Internal Security, with the aim of adapt it to the current challenges of the Internal Security and Civil Protection sectors;
- Implement the Strategic Concept for Defence and National Security and identified capabilities for Security Forces and Services;
- Improve procedures and mechanisms for planning, budgeting, financial management, procurement, logistics and human resources through the implementation of applicable laws and the adoption of uniform and transparent rules and procedures in the exercise of the relevant acts;
- Ensure order and security of people and property, guarantee peace, stability and social harmony, preventing and fighting crime;
- In the exercise of the security forces duties, ensure respect for the human rights of all citizens;
- Professionalise the Security Forces and Services;
- Modernise the Institution, including the systems and processes, adopting modern and efficient procedures, and making use of Information Technologies;
- Promote the participation of women in the security sector, including the creation of career advancement opportunities;

To this end, the following actions shall be undertaken:

- Ensure that the Security sector, including the National Police of Timor-Leste, operates with qualified and responsible professionals, backed by modern infrastructures and equipment, governed by regulations that promote efficiency, accountability and good governance of the sector (PED 2020);
- Continue to implement the 2030 Security Plan, based on its strategic objectives with a short-term focus on the implementation of the second phase on "Expansion and Development of Internal Security (2016-2020);
- Reform the legal framework for the modernisation and improvement of the Police and Civil and Operational Direction, in accordance with the Strategic Concept of Defence and National Security and PED 2011-2030;
- Review and reform the legal framework for the effective control of land and sea borders;
- Review and update the NPTL Disciplinary Regulations;
- Create conflict prevention and management mechanisms to change attitudes and mentalities, promote democracy, tolerance and respect for difference;

- Strengthen the community policing model and train police forces in conflict resolution, guiding practitioners to a policing model that aims at the communities;
- Ensure the implementation of the Decree-Law on Martial Arts and White Weapons, strengthen the status of the Martial Arts Regulatory Commission (MARC) and give continuity to the practice of community policing (visibility, involvement and professionalism);
- Improve operational capacity in the consolidation of public security;
- Improve operational capacity for crime prevention and criminal investigation;
- Strengthen coordination and cooperation between the National Police of Timor-Leste and the Criminal Investigation Police (which is under the Ministry of Justice);
- Strengthen institutional training and modernise infrastructure, equipment and information technologies in the sector, including computerisation of the information collection and processing system;
- Invest in the training of the Security Forces, in terms of customer service, ensuring adequate care for women and children;
- Ensure the existence of a well-trained and professional Traffic and Road Safety Unit on roads throughout the country, ensuring strict compliance with the Highway Code (PED 2020);
- Promote the National Road Safety Directorate and reduce accidents, by intensifying police actions of prevention and control, as well as through the promotion of comprehensive road education campaigns;
- Promote citizens' civic education, on the use of public roads and their traffic rules, at the intersectoral level;
- Review and elaborate a legal framework that harmonises and improves the road legislation and elaborate a National Plan of Prevention and Road Safety;
- Protect and preserve the State property in accordance with the approved objectives;
- Further develop bilateral and international cooperation with development partners to ensure the development of the sector;
- Continue to invest in infrastructures, including civil buildings, Municipal Commands, stations and training centres.



#### **6.9.4 Migration Services**

Regulate the new Law no. 11/2017, of 24 May, on Migration and Asylum and develop a new “green list”;

- Approve the models and forms necessary for the implementation of the Law on Migration and Asylum;
- Regulate the organisation, content and functioning of the Border Management System;
- Implement a dedicated digital communications network, for the Border Management System, that allows the link between the General Directorate and Regional Delegations and Consular Posts;
- Establish the concept of electronic borders (E-Gates) in the main entrance posts;
- Review the status of the Migration Services personnel, to ensure to staff the definition of roles and careers;
- Build the General Directorate of the Migration Service its own building.
- Improve the infrastructures and equipment of the Border Migration Services, to ensure control of entry and exit of national and foreign citizens;
- Regulate and implement the new Law on Migration and Asylum.

#### **6.9.4 National Intelligence Service**

- Approve and implement the Strategic Plan of the National Intelligence Service;
- Promote the training of human resources and the institutional training of the National Intelligence Service;
- Provide the services with adequate means of research, collection and analysis of information and data, enabling the institution with the necessary technological equipment and means to perform its functions;
- Promote coordination and cooperation with the Defence Forces and Security Forces, to prevent and fight internal and external threats;
- Promote international cooperation between the National Intelligence Service of Timor-Leste and other counterparts in other countries.

### **6.9.5 National Civil Protection Authority**

- Elaborate the Civil Protection Basic Law, to define the legal and operational framework of the National Civil Protection System;
- To develop a professional career of Civil Protection and Firemen, through the creation of its own Statute;
- Build the National Civil Protection Authority its own building, equipped with the necessary equipment for the planning and coordination of Civil Protection and Fire Services activities;
- Organise and implement a single emergency number system for police, medical and fire support services;
- Establish bilateral cooperation agreements in the field of Civil Protection and Firefighters;
- Provide funds available for operational needs arising from emergencies or natural disasters.
- Develop a program to support the training of human resources, as well as the infrastructure and equipment needed for the exercise of the Civil Protection duties, including an organised and professional Fire Brigade, to carry out their mission with efficiency and responsibility (PED 2020);
- Empower the National Civil Protection Authority;
- Develop the National Fire Service;
- Review and establish a legal framework for civil protection, including the adoption of the Civil Protection Basic Law;
- Invest in the training of the Civil Protection Institutions' professionals, including Firefighters;
- Establish mechanisms for early warning in the event of natural disasters and adequate means of response and action.

## **6.10 International Relations and Foreign Policy**

Timor-Leste is a small Nation with a highly strategic geographical location, whose security depends on the establishment of solid relations of friendship and cooperation with countries around the world, but above all with neighbouring countries, countries in this region, and the countries with which it shares

long-standing cultural, historical and solidarity links, with a prominent place for the Portuguese-speaking countries naturally.

Also, and being consistent with the constitutional foundations, Timor-Leste is governed by the principles of national independence, the right of peoples to self-determination and independence, the permanent sovereignty of peoples over their natural wealth and resources, the protection of human rights, mutual respect for sovereignty, territorial integrity and equality between States and non-interference in the internal affairs of States.

The history of national independence is inseparable from the acts of diplomacy, friendship and solidarity of governments and peoples around the world. The aim of Timorese foreign policy could be no other than to maintain and strengthen relations of friendship and cooperation and to promote reconciliation, peace, stability, justice and an international economic order on the international stage that allows for the achievement of these objectives and contribute to the reduction of global poverty.

A young and developing country, such as Timor-Leste, will necessarily have to conduct a foreign policy that promotes bilateral and multilateral cooperation, fostering cultural, economic and commercial partnerships with other countries, essential for attracting investment and for the training of the institutions and resources of the country.

In this context, the Government shall recommend the following objectives in the context of international relations and foreign policy:

- Promotion of national interests and the image of the country at the international level;
- Strengthen relations of friendship, cooperation and solidarity with all States, with based on constitutional principles, and in line with the "zero enemies" policy;
- Strengthening ties of friendship and cooperation with the nearest neighbours: Indonesia and Australia;
- Favour the strengthening of international relations with the Nations with which Timor-Leste shares historical, cultural and friendly ties, as well as the common language, namely the countries of the Community of Portuguese Speaking Countries;
- Strengthen solidarity, cooperation and the common agenda of fragile and conflict-affected countries, particularly with a view to implementing initiatives conducive to the development and consolidation of peace and stability within the framework of the g7 +;
- Strengthen international relations with countries committed to consolidating their development and defending territorial integrity, such as the States of the Small Pacific Developing Islands, as well as those countries committed to the use and control of their wealth for the benefit of their peoples;

Strengthen relations of friendship and bilateral cooperation with the countries of Southeast Asia and the consolidation of embassies in all ASEAN member countries, while continuing to promote national reforms that have been aligned with the ASEAN guidelines, with all efforts to ensure that Timor-Leste becomes an effective full member of ASEAN;

- Strengthen relations of friendship and bilateral cooperation with friendly countries and

important development partners, such as Portugal, Australia, Indonesia, the United States of America, Cuba, New Zealand, Japan, South Korea and China, as well as with BRICS, CPSC, ASEAN and the countries of the Gulf region;

- Strengthen relations of friendship and cooperation with the Holy See and create conditions for the implementation of the Concordat;
- Prepare for Commonwealth accession;
- consolidate the ties of friendship and cooperation with the countries of the European Union, as well as to continue to focus on cooperation projects carried out in partnership with this organisation;
- Strengthen engagement with the United Nations, including initiatives and meetings aimed at peace, reconciliation and economic and social development for all peoples of the world, and to continue to promote the implementation of the Sustainable Development Goals, and participation in constructive discussions with a view to reforming the Security Council and the participation of the Timorese Armed Forces and Police in peacekeeping operations and humanitarian operations of the UN;
- Uphold the fundamental principles of the Non-Aligned Movement and the Charter of the United Nations in preserving and promoting world peace through dialogue and diplomacy between States and avoiding the use of force in conflict resolution;
- Further strengthen Timor-Leste's role in regional and international organisations such as the Pacific Islands Forum, the ASEAN Regional Forum, the South-West Pacific Dialogue, the ACP-EU Group of African Caribbean and Pacific States, World Bank, International Monetary Fund, Asian Development Bank, Asian Infrastructure Development Bank, World Trade Organization, Bali Democracy Forum, Melanesian Spearhead Group, Coral Triangle Initiative, and other international organizations.

## **6.11 Delimitation of Land and Maritime Borders**

Timor-Leste is an island country in Southeast Asia, located between two larger neighbours. To the north, west and east, lies the Indonesian archipelago. To the south, extends the vast Australian continent, about 300 nautical miles across the Timor Sea. Up to 6<sup>th</sup> March 2018, there were no permanent maritime borders drawn, with none of its neighbours, Australia and Indonesia.

In the context of foreign policy, the delimitation of borders, land and maritime, is a priority, since it is a question of national sovereignty. Thus, since the dawn of independence, efforts have been made to start negotiations with Australia and Indonesia on borders delimitation.

This is considered a matter of sovereignty, especially for a country, which offered all kinds of sacrifices, for approximately 24 years, in defence of its freedom and independence. The final frontier of the Timorese struggle lies in the seas and oceans that surround Timor-Leste.

It is important to reiterate that, for the people of the island of Timor-Leste, the surrounding seas are an integral part of their way of life and even have a spiritual meaning, since legend has it that the Timorese are descendant of the crocodile. The people depend on their seas for their sustenance and subsistence, through the fishing and harvesting of marine species. Also, coral reefs and steep underwater cliffs, which surround the island of Timor-Leste, are of great importance, since they are an important attraction for tourism development.

On the other hand, the country is developing its oil industry and attracting investment based on its vast oil and gas reserves, which lie on the seabed off the south coast. Oil activities in the Timor Sea are currently governed by interim arrangements for sharing resources with Australia, which reflect the terms of a treaty signed by Australia and Indonesia, even during the time of the military occupation.

For this reason, since achieving its independence, it has been one of the main priorities for the country to obtain the permanent delimitation of its maritime borders, in accordance with international law. The establishment of permanent maritime borders will enable Timor-Leste to map its internationally recognised land and maritime borders, allowing greater security and certainty for the development of a range of industries and services, including security, immigration, fisheries, tourism and customs.

On the other hand, it could also boost business development and investment, including the oil sector. Growth and economic diversification represent the building of a prosperous, secure and sustainable future for Timor-Leste.

### **6.11.1 Indonesia**

In the short term, the Government will reactivate negotiations with Indonesia to finalise the delimitation of the land borders, thereby closing the last two segments (Oben/Bijael Sunan and Citrana) in Oe-Cusse, definitively securing its sovereignty rights over territory.

Regarding the delimitation of maritime borders with Indonesia, formal consultations have already been initiated and a set of principles and guidelines for the negotiations have been developed by both governments and the application of international law agreed under the United Nations Convention on the Law of the Sea (UNCLOS), for the definition of maritime boundaries between the two countries.

Thus, the Government will resume formal negotiations on maritime borders immediately after the final delimitation of land borders. However, the internal discussions and preparation of political, technical

and legal documentation, which will guide these negotiations, will begin to take place immediately.

### **6.11.2 Australia**

6<sup>th</sup> March 2018 marked a historic moment for the country with the signing of the Maritime Boundary Treaty between Timor-Leste and Australia in New York. This treaty follows a lengthy dispute settlement process on the maritime area between the two countries, which included diplomatic efforts, bilateral consultations and negotiations, and other arrangements, including legal proceedings between the two States.

By initiating in April 2016, for the first time in history, the process of mandatory conciliation with Australia under the United Nations Convention on the Law of the Sea, Timor-Leste succeeded in bringing Australia to the negotiating table. With the assistance of the Conciliation Commission, both countries have taken significant steps to reach agreement on permanent maritime borders, which has finally led to the signing of the new Treaty on Maritime Boundary between the two countries at the United Nations Headquarters in New York, in the presence of the Secretary General, António Guterres.

The Government will now also, as a top priority, develop efforts to implement the Maritime Boundary Treaty, including its ratification by the National Parliament immediately, as well as continue negotiations with the oil companies involved in the Greater Sunrise Field for the establishment of a special scheme for the Greater Sunrise Fields to the benefit of both parties.

The Government will thus continue efforts to implement the agreement with Australia, recognising the inextricable link between the delimitation of maritime borders and the creation of a special regime for the development of Greater Sunrise, which includes the development of resources and the provisions on the sharing of revenues resulting from the exploitation of those resources. These negotiations will be guided by a firm policy of defending national interests, aiming the sustainable social and economic growth of the Timorese people.

Furthermore, on the success of this mandatory conciliation process and considering the publication of the "Final Report and Recommendations of the Conciliation Commission", Timor-Leste, in its foreign policy, will continue to promote international law and the peaceful settlement of disputes between the States, sharing its own experience and participating in international conferences and fora promoting international law, international law of the sea and, in particular, the United Nations Convention on the Law of the Sea, on the principle that all States shall, in good faith, fulfil their obligations under international law and respect the legal rights of other States. All States, whether large or small, are equal under international law and before international tribunals.

At the internal level, the Government will implement strategic measures to defend independence and territorial integrity, including the supervision of land, maritime and air space, in the framework of strengthening national sovereignty.

### **6.11.3 Institutional Development**

With a view to implementing the country's foreign policy in the context of international relations, the Government will continue to strengthen the institutions responsible for the implementation of its foreign policy and to promote bilateral and multilateral cooperation, oriented to the development of the Nation.

Thus, the Government shall:

- Continue to develop the legal framework conducive to strengthening the Foreign Relations sector, including structuring and upgrading the Statute of Diplomatic Careers, as well as regulating the rights and duties of Diplomatic Services personnel;
- Approve and implement the legislation related to the Protocol of State, to institutionalise the set of internal procedures and rules and in the relationship of Timor-Leste with other States, thus also dignifying the Nation and its representatives;
- Continue the preparation, production and approval of the Dokumento Mutin (White Paper on Foreign Policy);
- Harmonise all international commitments binding the Timor-Leste State and promote its intersectoral dissemination, to improve the professionalism and action of the State, and to fulfil its obligations;
- Systematise procedures and regulations on International Treaties and ensure the preservation and dissemination of documents related to the signing of International Treaties, Agreements, Memoranda of Understanding and Protocols, identifying and promoting the depositary entity thereof;
- Approve the Statute and strengthen the Institute of Diplomatic Studies, as a privileged entity for the training of diplomats and professionals, including the Defence and Security Officers;
- Develop a continuing training plan for the human resources of the Ministry of Foreign Affairs and Cooperation, including strengthening competence in national and foreign languages;
- Continue the rationalisation and resizing of diplomatic and consular missions abroad;
- Improve and constantly update the website of the Ministry of Foreign Affairs and Cooperation, including making available to the public information that promotes the country and facilitates knowledge and access to areas of national interest;
- Produce and distribute, through all diplomatic representations, promotional materials about the country, also to attract investment, commerce and tourism in Timor-Leste.

### **6.12 Timorese Communities Abroad**

The Government is especially committed to strengthening the ties that unite our compatriots in the



diaspora with our State. We understand that despite the different circumstances that may have motivated many Timorese to have ceased to reside in our national territory, seeking safety or better living conditions in other countries, it is essential that we maintain and, if possible, strengthen the ties that unite Timorese in the diaspora to the Democratic Republic of Timor-Leste. Our compatriots abroad are the best means of promoting our country abroad.

In the recent past, on the proposal of the Government, the National Parliament passed legislation that allowed our compatriots in the diaspora to register in the electoral register, thereby enabling their participation in the electoral processes held in 2017 and 2018. Political participation, in addition to being a fundamental right recognised for all Timorese citizens, is also an important instrument for strengthening the ties of our fellow citizens to our National Community.

The Government is determined to continue to promote the adoption of measures to support our compatriots residing abroad and strengthen their connection to Timor-Leste, and therefore proposes the following tasks to be undertaken:

- Adopt legislation to ensure the provision of public services to Timorese citizens in the diaspora through the embassies and consulates of the Democratic Republic of Timor-Leste;
- Enhance the means available to the embassies and consulates of the Democratic Republic of Timor-Leste for the provision of registration and notarised services to citizens residing outside the national territory;
- Introduce support mechanisms and consular protection to Timorese citizens residing abroad;
- Improve the mechanisms for the dissemination of information, related to the life and interests of our country, by Timorese communities in the diaspora.